

# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 8A-0309108**

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**APPLICATION OF XTO ENERGY INC. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR EIGHT FLARE POINTS IN THE ROBERTSON/CLEARFORK/UNIT (60580) LEASE, ROBERTSON, N. (CLEAR FORK 7100) FIELD, GAINES COUNTY, TEXAS**

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**HEARD BY:** Robert Musick, P.G. – Technical Examiner  
Jennifer N. Cook – Administrative Law Judge

**HEARING DATE:** April 13, 2018

**CONFERENCE DATE:** June 19, 2018

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

David Gross  
Dale Miller  
Sherry Pack  
Patty Urias

XTO Energy Incorporated

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

XTO Energy Inc. ("XTO") seeks an exception to Statewide Rule 32 to flare casinghead gas in the Robertson/Clearfork/Unit (60580) Lease, Robertson, N. (Clear Fork 7100) Field, Gaines County, Texas, to extend flaring authorization approved by Commission Final Order No. 8A-0300495, expiring May 28, 2018. XTO requested authorization to continue to flare casinghead gas from May 29, 2018 to May 28, 2020, at the Robertson/Clearfork/Unit (60580) Lease for seven (7) permitted flare points.

The application is unopposed, and the Technical Examiner and Administrative Law Judge (collectively "Examiners") recommend approval of the exception to Statewide Rule 32 for the Robertson/Clearfork/Unit (60580) Lease, Flare Points 1, 2, 4, 5, 6, 7 and 8.

### **DISCUSSION OF THE EVIDENCE**

Statewide Rule 32 governs the utilization for legal purposes of natural gas and casinghead gas produced under the jurisdiction of the Railroad Commission. XTO seeks relief pursuant to Statewide Rule 32(h)(4), as follows:

*Requests for exceptions for more than 180-days and for volumes greater than 50 MCF of hydrocarbon gas per day shall be granted only in a final order signed by the commission.*

XTO was granted an administrative exception to Statewide Rule 32, for a 60-day period, from 3/28/2016 to 5/28/2016 for the Robertson/Clearfork/Unit (60580) Lease flare points 1, 2, 4, 5, 6, 7, and 8. In addition to the above with a 60-day flaring authority, XTO was granted an administrative approval for the Robertson/Clearfork/Unit (60580) Lease Flare Point 3 because it met the administrative exemption criteria established by Statewide Rule 32.

Attachment B.1 identifies the above-mentioned seven (7) flare points with a 60-day assigned flaring authority; and one additional flare point with volumes less than 50 thousand cubic feet (MCF) and exempt from Statewide Rule 32.

After the 180-day administrative period expired, XTO requested a hearing and was granted an exception to Statewide Rule 32 to flare casinghead gas from 5/29/2016 to 5/28/2018, pursuant to the Commission Final Order No. 8A-0300495, effective 8/24/2016. Attachment B.2 identifies the seven (7) flare points authorized by the above-referenced Final Order.

To continue the flaring authority of casinghead gas after the expiration of the Commission Final Order No. 8A-0300495, XTO sent a letter dated January 31, 2018, requesting a hearing to be conducted for the Robertson/Clearfork/Unit (60580) Lease to seek continued flaring authority for flare points: 1, 2, 4, 5, 6, 7, and 8. The Hearings Division issued a Notice of Hearing to the Service List on March 8, 2018. A public hearing was held on April 13, 2018 to continue flaring authority for the seven (7) flare points mentioned-above in Attachment A.

Testimony at the hearing indicate all 332 wells on the Robertson/Clearfork/Unit (60580) Lease, are connected to a sales line. The wells only require flaring during periods of routine maintenance, equipment malfunction, upset events and during sales line unavailability.

XTO Energy Inc. ("XTO") agreed on the record, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), the Final Order in this case shall be final and effective on the date a Master Order relating to this Final Order is signed.

The Examiners recommend the exceptions be granted.

### **FINDINGS OF FACT**

1. Proper notice of this hearing was given to offset operators at least ten days prior to the date of hearing. There were no protests to the application.
2. XTO was granted an administrative exception to Statewide Rule 32, from 3/28/2016 to 5/28/2016, for the Robertson/Clearfork/Unit (60580) Lease flare points 1, 2, 4, 5, 6, 7, and 8. Attachment B.1 identifies the flare points, permit numbers and authorization period.

3. After the administrative period expired, XTO requested a hearing and was granted an exception to Statewide Rule 32 to flare casinghead gas from 5/29/2016 to 5/28/2018, pursuant to the Commission Final Order No. 8A-0300495, effective 8/24/2016. Attachment B.2 identifies the seven (7) flare points authorized by the above-referenced Final Order.
4. XTO sent a letter dated January 31, 2018, requesting a hearing to be conducted for the Robertson/Clearfork/Unit (60580) Lease to seek continued flaring authority for the seven (7) flare points: 1, 2, 4, 5, 6, 7, and 8.
5. The Hearings Division issued a Notice of Hearing to the Service List on March 8, 2018. A public hearing was held on April 13, 2018 to continue flaring authority for the seven (7) flare points. The flare points and flaring period time periods and authorized volumes are identified in Attachment A.
6. Testimony at the hearing indicate all 332 wells on the Robertson/Clearfork/Unit (60580) Lease, are connected to a sales line. Flaring is only required during periods of routine maintenance, equipment malfunction, upset events and during sales lines unavailability.
7. XTO Energy Inc. ("XTO") agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), the Final Order in this case shall be final and effective on the date a Master Order relating to this Final Order is signed.

#### CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051.
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.42.
3. The requested authority to flare casinghead gas satisfies the requirements of Statewide Rule 32. 16 Tex. Admin. Code § 3.32 (h).
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, the Final Order in this case is final and effective when a Master Order relating to the Final Order is signed.

#### EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant the exceptions to Statewide Rule 32 for the seven (7) flare points, as requested by XTO Energy Inc.

Respectfully submitted,



Robert Musick, P.G.  
Technical Examiner



Jennifer N Cook  
Administrative Law Judge

**ATTACHMENT A - FLARE AUTHORITY**

<b>Lease Flare Point Robertson/Clearfork/Unit (60580)</b>	<b>Flare Permit</b>	<b>Flaring Authority Time Period</b>	<b>Flare Rate - (MCFPD)</b>	<b>Flaring Authorized</b>
Flare Point 1 - RCU CTB	26350	24 Months	550	5/29/2018 to 5/28/2020
Flare Point 2 - RCU SAT 171	26353	24 Months	850	5/29/2018 to 5/28/2020
Flare Point 3 – RCU SAT 172	25312	See Note	See Note	See Note
Flare Point 4 - RCU SAT 173	26347	24 Months	1050	5/29/2018 to 5/28/2020
Flare Point 5- RCU SAT 270	26351	24 Months	275	5/29/2018 to 5/28/2020
Flare Point 6- RCU SAT 271	26349	24 Months	375	5/29/2018 to 5/28/2020
Flare Point 7- RCU SAT 272	26348	24 Months	375	5/29/2018 to 5/28/2020
Flare Point 8- RCU SAT 274	26352	24 Months	550	5/29/2018 to 5/28/2020

**Note:** The flare authority for Flare Point 3 is established through the administrative permit application received on January 8, 2016 and Permit No. 25312, effective on December 19, 2015. The flare authority for Flare Point 3 – RCU SAT 172 is not established through issuance of Oil and Gas Final Order No. 8A-0309108.

**ATTACHMENT B – PREVIOUS AUTHORIZED FLARING AUTHORITY*****Administrative Flaring Authority: Attachment B.1***

<b>Lease Flare Point Robertson/Clearfork/Unit (60580)</b>	<b>Flare Permit No.</b>	<b>Adm. Flaring Authority Time Period</b>	<b>Adm. Flare Rate – Maximum (MCFPD)</b>	<b>Adm. Flaring Authorized Effective Dates</b>
Flare Point 1 - RCU CTB	26350	60 Days	550	3/28/2016 to 5/28/2016
Flare Point 2 - RCU SAT 171	26353	60 Days	850	3/28/2016 to 5/28/2016
Flare Point 3 - RCU SAT 172	25312	None	48	No Effective Dates
Flare Point 4 - RCU SAT 173	26347	60 Days	1050	3/28/2016 to 5/28/2016
Flare Point 5- RCU SAT 270	26351	60 Days	275	3/28/2016 to 5/28/2016
Flare Point 6- RCU SAT 271	26349	60 Days	375	3/28/2016 to 5/28/2016
Flare Point 7- RCU SAT 272	26348	60 Days	375	3/28/2016 to 5/28/2016
Flare Point 8- RCU SAT 274	26352	60 Days	550	3/28/2016 to 5/28/2016

***Previous Final Order No. 8A-0300495, effective 8/24/2016 – Attachment B.2***

<b>Lease Flare Point Robertson/Clearfork/Unit (60580)</b>	<b>Flare Permit No.</b>	<b>Final Order No.</b>	<b>Final Order Flare Rate - (MCFPD)</b>	<b>Flaring Authorized</b>
Flare Point 1 - RCU CTB	26350	<b>8A-0300495</b>	550	5/29/2016 to 5/28/2018
Flare Point 2 - RCU SAT 171	26353	<b>8A-0300495</b>	850	5/29/2016 to 5/28/2018
Flare Point 4 - RCU SAT 173	26347	<b>8A-0300495</b>	1,050	5/29/2016 to 5/28/2018
Flare Point 5- RCU SAT 270	26351	<b>8A-0300495</b>	275	5/29/2016 to 5/28/2018
Flare Point 6- RCU SAT 271	26349	<b>8A-0300495</b>	375	5/29/2016 to 5/28/2018
Flare Point 7- RCU SAT 272	26348	<b>8A-0300495</b>	375	5/29/2016 to 5/28/2018
Flare Point 8- RCU SAT 274	26352	<b>8A-0300495</b>	550	5/29/2016 to 5/28/2018