

# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0309109

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**APPLICATION OF XTO ENERGY INC. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR FOUR FLARE POINTS IN THE UNIVERSITY BLOCK 9 AREA, UNIVERSITY BLOCK 9 (DEVONIAN), UNIVERSITY BLOCK 9 (PENN.), UNIVERSITY BLOCK 9 (WOLFCAMP), AND TRIPLE-N (GRAYBURG) FIELDS, ANDREWS 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:** August 21, 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 from four (4) flare points associated with six (6) different leases in the University Block 9 Area in Andrews County, Texas. The current flaring authority approved through Commission Final Orders is expiring on May 10, 2018. XTO requested authorization to continue to flare casinghead gas for a two-year period from May 11, 2018 to May 10, 2020, for the four (4) flare points in the University Block Area consisting of the University Block 9 (Devonian), University Block 9 (Penn.), University Block 9 (Wolfcamp), and Triple-N (Grayburg) Fields in Andrews County, Texas.

The application is unopposed, and the Technical Examiner and Administrative Law Judge (collectively "Examiners") recommend approval of the XTO application for exception to Statewide Rule 32 for the four (4) flare points in the University Block 9 Area, Andrews County, Texas.

### **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 requested a hearing and was granted an exception to Statewide Rule 32 to flare casinghead gas from 5/11/2016 to 5/10/2018, pursuant to Commission Final Orders effective August 24, 2016. Attachment B identifies the four (4) Final Orders authorizing the flaring from 5/11/2016 to 5/10/2018, along with lease, field and the authorized maximum daily flaring volumes.

To continue the flaring authority of casinghead gas after 5/10/18, XTO sent a letter dated January 31, 2018, requesting a hearing to be conducted to seek continued flaring authority for the four (4) flare points. The Hearings Division issued a Notice of Hearing to the Service List on March 9, 2018 and a public hearing was held on April 13, 2018. Attachment A outlines the six (6) leases, the four (4) different fields, and the maximum daily flaring volumes and their effective dates being sought by XTO in the hearing.

Testimony at the hearing indicate all six (6) leases associated with University Block Area 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 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 seeks an exception to Statewide Rule 32 to flare casinghead gas from four (4) flare points associated with six (6) different leases in the University Block 9 Area in Andrews County, Texas.
3. XTO requested a hearing and was granted an exception to Statewide Rule 32 to flare casinghead gas from 5/11/2016 to 5/10/2018, pursuant to Commission Final Orders, effective August 24, 2016. Attachment B identifies the four (4) Final Orders expiring on May 10, 2018 and flaring volumes and the flaring effective period.
4. To continue the flaring authority of casinghead gas, XTO sent a letter dated January 31, 2018, requesting a hearing to be conducted to seek continued flaring authority for the four (4) flare points.

5. The Hearings Division issued a Notice of Hearing to the Service List on March 9, 2018 and a public hearing was held on April 13, 2018 to continue flaring authority for the four (4) flare points. Attachment A outlines the six (6) leases, the four (4) different fields, the authorized maximum daily flaring volumes and their effective dates being sought by XTO in their application.
6. Testimony at the hearing indicate all six leases associated with University Block Area 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.
7. 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.

#### 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 as requested by XTO Energy Inc. for the four (4) flare points, in the University Block 9 (Devonian) Field, University Block 9 (Penn.) Field, University Block 9 (Wolfcamp) Field, and Triple-N (Grayburg) Field, Andrews County, Texas.

Respectfully submitted,



Robert Musick, P.G.  
Technical Examiner



Jennifer Cook  
Administrative Law Judge

**ATTACHMENT A - FLARE AUTHORITY**

Flare Point and Flare Permit No.	Tank Battery Name Lease	Lease No.	Field Name	Maximum Daily Flaring Volume (MCFPD) and Authorized Effective Dates in Final Order
Flare No. 1 No. 26089	University Block 9 Battery No. 1	39152	UB9-Dev	2,000 MCFPD from 5/11/2018 through 5/10/2020
	University Block 9 Battery No. 3	21413	UB9-Penn	
Flare No. 2 No. 26090	University Block 9 Battery No. 2	39152	UB9-Dev	3,500 MCFPD from 5/11/2018 through 5/10/2020
	University Block 9 Battery No. 4			
	University Block 9 WCU Battery	15046	UB9-Wolf	
Flare No. 3 No. 26091	University Block 9 Battery No. 6	39152	UB9-Dev	500 MCFPD from 5/11/2018 through 5/10/2020
Flare No. 4 No. 26092	University Block 9 Battery No. 5	39152	UB9-Dev	500 MCFPD from 5/11/2018 through 5/10/2020
	University 198 Battery	20292	T-N Grayburg	
	Grayburg South Battery	36772		
		36900		

**Notes:** *UB9-Dev = University Block 9 (Devonian)*  
*UB9-Penn= University Block 9 (Penn)*  
*UB9-Wolf= University Block 9 (Wolfcamp)*  
*T-N Grayburg = Triple-N (Grayburg)*  
*MCFPD = thousand cubic feet per day*

**ATTACHMENT B – PREVIOUS AUTHORIZED FLARING AUTHORITY**

Flare Point Flare Permit No. Previous Final Order	Tank Battery Name Lease	Lease No.	Field Name	Final Order Flare Rate - (MCFPD) and Authorized Effective Dates
Flare No. 1 No. 26089  Final Order No. 08-0300497	University Block 9 Battery No. 1	39152	UB9-Dev	2,000 MCFPD from 5/11/2018 through 5/10/2020
	University Block 9 Battery No. 3	21413	UB9-Penn	
Flare No. 2 No. 26090  Final Order No. 08-0300493	University Block 9 Battery No. 2	39152	UB9-Dev	3,500 MCFPD from 5/11/2018 through 5/10/2020
	University Block 9 Battery No. 4			
	University Block 9 WCU Battery	15046	UB9-Wolf	
Flare No. 3 No. 26091  Final Order No. 08-0300494	University Block 9 Battery No. 6	39152	UB9-Dev	500 MCFPD from 5/11/2018 through 5/10/2020
Flare No. 4 No. 26092  Final Order No. 08-0300499	University Block 9 Battery No. 5	39152	UB9-Dev	500 MCFPD from 5/11/2018 through 5/10/2020
	University 198 Battery	20292	Triple-N Grayburg	
	Grayburg South Battery	36772	T-N Grayburg	
		36900		

**Notes:** *UB9-Dev = University Block 9 (Devonian)*  
*UB9-Penn= University Block 9 (Penn)*  
*UB9-Wolf= University Block 9 (Wolfcamp)*  
*T-N Grayburg = Triple-N (Grayburg)*  
*MCFPD = thousand cubic feet per day*