

# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0309386

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**APPLICATION OF XTO ENERGY INC. (945936) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE BS WALKER BATTERY (FLARE PERMIT NO. 24229), COMMINGLING PERMIT NO. 2346, FUHRMAN-MASCHO, FUHRMAN-MASCHO (DEVONIAN) AND FUHRMAN (GLORIETA) FIELDS, ANDREWS COUNTY, TEXAS**

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**HEARD BY:** Robert Musick, P.G. – Technical Examiner  
Kristi M. Reeve – Administrative Law Judge

**HEARING DATE:** May 17, 2018

**CONFERENCE DATE:** August 21, 2018

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:**

David Gross  
Dale Miller  
Patty Urias  
Sherry Pack

XTO Energy Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

XTO Energy Inc. ("XTO") seeks an exception to Statewide Rule 32 to flare casinghead gas associated with the BS Walker Battery Leases in the Fuhrman-Mascho, Fuhrman-Mascho (Devonian) and Fuhrman (Glorieta) Fields ("Subject Fields") in Andrews County, Texas. The BS Walker (34056, 21064 and 10080) Leases share a flare point (commingle permit No. 08-2346) located near the tank battery. The current flaring authority is through Commission Final Order No. 08-0300099, expiring May 9, 2018.

XTO requests flaring authorization for the BS Walker commingled flare point. XTO is seeking to flare casinghead gas volumes of 100 thousand cubic feet per day ("MCF/Day") from May 10, 2018 through May 9, 2020, a two-year period.

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 commingled flare point.

### DISCUSSION OF THE EVIDENCE

The oil proration schedule indicates two (2) wells on the B.S. Walker (34056) Lease are completed in the Fuhrman (Glorieta) Field (33158250); nine (9) wells on the B.S. Walker (21064) Lease are completed in the Fuhrman-Mascho Field (33176001); and, one (1) well on the B.S. Walker (10080) Lease is completed in the Fuhrman-Mascho (Devonian) Field (33176284). The Fields are in Andrews County, Texas.

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 the BS Walker Battery commingled flare point through administrative permit No. 24229. The administrative permit was for a period of 150 days, expiring on May 9, 2016 with an authorized flare volume of 100 MCF/Day.

In addition to the above administrative exception to Statewide Rule 32, XTO was granted through Commission Final Order No. 08-0300099, authority to flare casinghead gas from the BS Walker, commingled flare point. The Commission Final Order authorized a maximum volume of 100 MCF/Day to be flared from May 10, 2016 to May 9, 2018.

To continue the flaring authority of casinghead gas, XTO sent a letter dated February 7, 2018, requesting a hearing to be conducted to seek continued flaring authority for the BS Walker Battery, commingled flare point. The Hearings Division issued a Notice of Hearing to the Service List on April 6, 2018, and a public hearing was held on May 17, 2018. At the hearing, XTO was seeking a flaring authority of 100 MCF/Day for two-years, from May 10, 2018 to May 9, 2020.

Testimony at the hearing indicate wells associated with the BS Walker Leases are connected to a DCP Operating Company gas transmission 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. The oil proration schedule indicates two (2) wells on the B.S. Walker (34056) Lease are completed in the Fuhrman (Glorieta) Field (33158250); nine (9) wells on the B.S. Walker (21064) Lease are completed in the Fuhrman-Mascho Field (33176001); and, one (1) well on the B.S. Walker (10080) Lease is completed in the Fuhrman-Mascho (Devonian) Field (33176284). The Fields are in Andrews County, Texas.
3. The BS Walker Leases share a commingled flare point (commingle permit no. 08-2346) located near the tank battery.
4. XTO was granted an administrative exception to Statewide Rule 32, for the BS Walker Battery commingled flare point through an administrative permit no. 24229. The administrative permit was for a period of 150 days, expiring on May 9, 2016 with an authorized flare volume of 100 MCF/Day.
5. In addition to the above administrative exception to Statewide Rule 32, XTO was granted through Commission Final Order No. 08-0300099, authority to flare casinghead gas from the BS Walker commingled flare point. The Commission Final Order authorized a maximum volume of 100 MCF/Day to be flared from May 10, 2016 to May 9, 2018.
6. XTO sent a letter dated February 7, 2018, requesting a hearing to be conducted to seek continued flaring authority for the BS Walker Battery, commingled flare point. The Hearings Division issued a Notice of Hearing to the Service List on April 6, 2018, and a public hearing was held on May 17, 2018. At the hearing, XTO was seeking a flaring authority of 100 MCF/Day for two-years, from May 10, 2018 to May 9, 2020.
7. The hearing was held on May 17, 2018. XTO was seeking a flaring authority of 100 MCF/Day for two-years, from May 10, 2018 to May 9, 2020.
8. Testimony at the hearing indicate wells associated with the BS Walker Leases are connected to a DCP Operating Company gas transmission line. The wells only require flaring during periods of routine maintenance, equipment malfunction, upset events and during sales line unavailability.
9. 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 BS Walker (34056, 21064 and 10080) Leases commingled flare point with flaring authority of 100 MCF/Day for two-years, from May 10, 2018 to May 9, 2020.

Respectfully submitted,



Robert Musick, P.G.  
Technical Examiner



Kristi M. Reeve  
Administrative Law Judge