

# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 08-0309410**

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**APPLICATION OF XTO ENERGY INC. (945936) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE DRGU BATTERY (FLARE PERMIT NO. 25710), COMMINGLING PERMIT NO. 0889, DEEP ROCK (GLORIETA) FIELD, 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 two leases in the Deep Rock (Glorieta 5950) Field (No. 23907568), Andrews County, Texas. The two leases, identified as the Deep Rock Glorieta Unit ("DRGU") (No. 33898) Lease and the Ogden Belle -A- (No. 14608) Lease, share a flare point (commingled permit no. 08-0889) located at the DRGU tank battery. The current flaring authority is through Commission Final Order No. 08-0300101, effective September 27, 2016, expiring May 9, 2018.

XTO requests flaring authorization for the DRGU commingled flare point. XTO is seeking to flare casinghead gas volumes of 120 thousand cubic feet per day ("MCFPD") 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 Deep Rock Glorieta Unit (DRGU), tank battery is located approximately 6 miles west of Andrews, Texas. There are two leases associated with this commingled flare point at the DRGU battery (commingled permit no. 08-0889): the DRGU and Ogden Belle-A Lease. The oil proration schedule indicates one well on the Ogden Belle -A- Lease (No. 08-14608) and 26 wells on the DRGU (No. 08-33898).

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 DRGU Battery commingled flare point through administrative permit No. 25710 from February 9, 2016 to May 9, 2016, for a period of 90 days. The administrative permit authorized flare volumes of 100 MCFPD for the 90-day period.

In addition to the above administrative exception to Statewide Rule 32, XTO was granted through Commission Final Order No. 08-03098410, authority to flare casinghead gas from the DRGU Battery, commingled flare point. The Commission's Final Order authorized a maximum volume of 100 MCFPD 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 DRGU 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 120 MCFPD for two-years, from May 10, 2018 to May 9, 2020.

Testimony at the hearing indicate wells associated with the two leases (i.e., Ogden Belle -A- and DRGU) 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 Deep Rock (Glorieta 5950) Field (No. 23907568) is in Andrews County, Texas.
3. The Deep Rock Glorieta Unit (DRGU), tank battery is located approximately 6 miles west of Andrews, Texas. Two leases are associated with this commingled flare point (commingled permit no. 08-0889) at the DRGU battery, the DRGU (No. 08-33898) and Ogden Belle-A (No. 08-14608) Lease.
4. The oil proration schedule indicates one well on the Ogden Belle -A- Lease and 26 wells on the DRGU Lease.
5. XTO was granted an administrative exception to Statewide Rule 32, for the DRGU Battery flare point through administrative permit No. 25710 from February 9, 2016 to May 9, 2016, for a period of 90 days. The administrative permit authorized flare volumes of 100 MCFPD for the 90-day period.
6. In addition to the above administrative exception to Statewide Rule 32, XTO was granted through Commission Final Order No. 08-03098410, authority to flare casinghead gas from the DRGU Battery, commingled flare point. The Commission's Final Order authorized a maximum volume of 100 MCFPD from May 10, 2016 to May 9, 2018.
7. XTO sent a letter dated February 7, 2018, requesting a hearing to be conducted to seek continued flaring authority for the DRGU Battery commingled flare point. The Hearings Division issued a Notice of Hearing to the Service List on April 6, 2018.
8. A hearing was held on May 17, 2018. XTO was seeking flaring authority for the DRGU Battery commingled flare point of 120 MCFPD for two-years, from May 10, 2018 to May 9, 2020.
9. Testimony at the hearing indicate wells associated with the two leases (i.e., Ogden Belle -A- and DRGU) 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.
10. 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 an exception to Statewide Rule 32 for the DRGU Battery commingled flare point with flaring authority of 120 MCFPD 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