

RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7C-0310575

APPLICATION OF EP ENERGY E&P COMPANY, L.P. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE UNIVERSITY DRAW 4125AH FACILITY, LIN (WOLFCAMP) FIELD, CROCKETT COUNTY, TEXAS

HEARD BY: Robert Musick, P.G. – Technical Examiner
Lynn Latombe – Administrative Law Judge

HEARING DATE: July 11, 2018

CONFERENCE DATE: August 21, 2018

APPEARANCES:

REPRESENTING:

APPLICANT:

Mark Hanna
Matt Immel

EP Energy E&P Company, L.P.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

EP Energy E&P Company, L.P. ("EP") seeks an exception to Statewide Rule 32 to flare casinghead gas in the LIN (Wolfcamp) Field, Crockett County, Texas to extend flaring authorization approved by Commission Final Order No. 7C-0300909, expiring April 12, 2018. EP requested the authorization to continue to flare casinghead gas from the University Draw 4125AH Facility flare point, from April 13, 2018 to April 12, 2020, for a period of 2 years.

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 University Draw 4125AH Facility flare point.

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. EP 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.

EP was granted an administrative exception to Statewide Rule 32, for a 92-day period, from January 11, 2016 to April 12, 2016, for the University Draw 4125AH Facility flare point, to flare a maximum of 1,000 thousand cubic feet per day ("MCF/Day") by Permit No. 25475.

After the administrative period expired, EP requested a hearing and was authorized by Commission Final Order No. 7C-0300909, to flare a maximum of 1,000 MCF/Day of casinghead gas from April 12, 2016 to April 12, 2018, from the University Draw 4125AH Facility flare point.

To continue the flaring authority of casinghead gas after the expiration of the Commission Final Order No. 7C-0300909, EP sent a letter dated April 6, 2018, requesting a hearing to be conducted for the University Draw 4125AH Facility, LIN (Wolfcamp) Field, Crockett County, Texas. The Hearings Division issued a Notice of Hearing to the Service List on May 30, 2018. A public hearing was held on July 11, 2018 to continue flaring authority for the University Draw 4125AH Facility flare point. EP is seeking authority to flare a maximum of 1,000 MCF/Day of casinghead gas from April 13, 2018 to April 12, 2020, for a period of 2 years.

Testimony at the hearing indicate the University Draw 4125AH Facility is connected to a sales lines. The well only requires flaring during periods of routine maintenance, equipment malfunction, upset events and during sales line unavailability.

EP 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. EP was granted an administrative exception to Statewide Rule 32, for a 92-day period, from January 11, 2016 to April 12, 2016, for the University Draw 4125AH Facility, to flare a maximum of 1,000 MCF/Day by Permit No. 25475.
3. EP was authorized by Commission Final Order No. 7C-0300909, to flare a maximum of 1,000 MCF/Day of casinghead gas from April 12, 2016 to April 12, 2018 from the University Draw 4125AH Facility flare point.

4. On April 6, 2018, the Commission received a request for hearing to be conducted for a Statewide Rule 32 exception for the University Draw 4125AH Facility, LIN (Wolfcamp) Field, Crockett County, Texas.
5. The Hearings Division issued a Notice of Hearing to the Service List on May 30, 2018. A public hearing was held on July 11, 2018 to continue flaring authority for the University Draw 4125AH Facility flare point, requesting authority to flare a maximum of 1,000 MCF/Day of casinghead gas from April 13, 2018 to April 12, 2020, for a period of 2 years.
6. Testimony at the hearing indicate the University Draw 4125AH Facility is connected to a sales line. The well only require flaring during periods of routine maintenance, equipment malfunction, upset events and during sales lines unavailability.
7. EP 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.

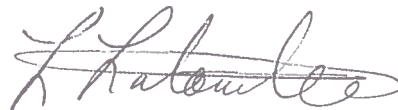
EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant the exception to Statewide Rule 32 for the University Draw 4125AH Facility flare point, as requested by EP Energy E&P Company, L.P.

Respectfully submitted,



Robert Musick, P.G.
Technical Examiner



Lynn Latombe
Administrative Law Judge