

# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7C-0310577

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**APPLICATION OF EP ENERGY E&P COMPANY, L.P. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS CENTRAL PRODUCTION FACILITIES, EAGLEVILLE (EAGLE FORD-1) AND HAWKVILLE (EAGLEFORD SHALE) FIELDS, ATASCOSA, FRIO, LA SALLE, AND MCMULLEN COUNTIES, TEXAS**

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**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 Eagleville (Eagle Ford-1) and Hawkville (Eagleford Shale) Fields, Atascosa, Frio, La Salle, and McMullen Counties, Texas.

EP is requesting to extend flaring authority for 22 Central Process Facilities ("CPF") approved by the Commission through the administrative permitting process, with the administrative authority expiring on all CPF's on May 30, 2018. EP is seeking a final order to continue flaring authority of casinghead gas from the 22 CPF's from May 31, 2018 through May 30, 2020, 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 22 CPF's and their associated flare points in the Eagleville (Eagle Ford-1) and Hawkville (Eagleford Shale) Fields, Atascosa, Frio, La Salle, and McMullen Counties, 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. 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 the 22 CPFs and their associated flare points from March 1, 2018 to May 30, 2018, a period of 60 days. Attachment A identifies the 22 CPF's, assigned flare permit numbers, the approved flare volumes, and the assigned administrative flaring authority effective dates.

To continue the flaring authority of casinghead gas after the expiration of the administrative authority, EP sent a letter dated April 6, 2018, requesting a hearing to be conducted for the 22 CFP's located in Atascosa, Frio, La Salle and McMullen Counties, 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 22 CFP's and their associated flare points identified in Attachment B. EP is seeking authority to continue flaring authority of casinghead gas from the CPF's from May 31, 2018 through May 30, 2020, a period of 2 years.

The hearing indicates the 22 CFPs are connected to a sales line and only require 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 the hearing. There were no protests to the application.
2. EP was granted an administrative exception to Statewide Rule 32, for 22 CPFs and their associated flare points from March 1, 2018 to May 30, 2018, a period of 60 days. Attachment A identifies the 22 CPF's, assigned flare permit numbers, the approved flare volumes, and the assigned administrative flaring authority effective dates.
3. On April 6, 2018, the Commission received a request for hearing to be conducted for a Statewide Rule 32 exception for the 22 CFP's located in Atascosa, Frio, La Salle and McMullen Counties, Texas.
4. The Hearings Division issued a Notice of Hearing to the Service List on May 30, 2018.

5. A public hearing was held on July 11, 2018 to continue flaring authority for the 22 CPF's and their associated flare points from May 31, 2018 through May 30, 2020, a period of 2 years. Attachment B identifies the 22 CPF's, assigned flare permit numbers, the requested flare volumes, and requested flaring authority.
6. The hearing indicates the 22 CPF's are connected to a sales line. The CPF's 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 22 CPF's and their associated flare points as identified in Attachment B to this Report.

Respectfully submitted,



Robert Musick, P.G.  
Technical Examiner



Lynn Latombe  
Administrative Law Judge

**Attachment A – Previous Authorized Administrative Flaring Authority**

| Central Process Facility (CPF) | Flare Permit No. | Maximum Daily Flaring Volume (MCF/Day) | Administrative Flaring Authority Effective Dates |           |
|--------------------------------|------------------|--|--|-----------|
|                                |                  |  | 60 Day Period                                    |           |
| C4 Ranch Facility              | 33203            | 100                                    | 3/01/2018  | 5/30/2018 |
| Gilbert-Luna CPF               | 33191            | 5500                                   | 3/01/2018  | 5/30/2018 |
| Miller CPF                     | 33192            | 4000                                   | 3/01/2018  | 5/30/2018 |
| Pflugger CPF                   | 33196            | 2100                                   | 3/01/2018  | 5/30/2018 |
| Vester CPF                     | 33186            | 500                                    | 3/01/2018  | 5/30/2018 |
| Booth-Middleton CPF            | 33193            | 5600                                   | 3/01/2018  | 5/30/2018 |
| Sachs CPF                      | 33190            | 1500                                   | 3/01/2018  | 5/30/2018 |
| Venado Bros. CPF               | 33194            | 3500                                   | 3/01/2018  | 5/30/2018 |
| Frost Bank Unit CPF            | 33206            | 1000                                   | 3/01/2018  | 5/30/2018 |
| Siegele CPF                    | 33205            | 3500                                   | 3/01/2018  | 5/30/2018 |
| Kokel CPF                      | 33195            | 900                                    | 3/01/2018  | 5/30/2018 |
| Lazy Seven Ranch CPF           | 33185            | 900                                    | 3/01/2018  | 5/30/2018 |
| Gebert-Mumme Unit CPF          | 33204            | 900                                    | 3/01/2018  | 5/30/2018 |
| Lone Oak Grocery Facility      | 33201            | 900                                    | 3/01/2018  | 5/30/2018 |
| Los Angeles Unit Facility      | 33202            | 3000                                   | 3/01/2018  | 5/30/2018 |
| Mumme 10 CPF                   | 33188            | 1500                                   | 3/01/2018  | 5/30/2018 |
| Mumme 20 Facility              | 33198            | 200                                    | 3/01/2018  | 5/30/2018 |
| Mumme 30 CPF                   | 33187            | 1500                                   | 3/01/2018  | 5/30/2018 |
| Mumme 40 CPF                   | 33200            | 450                                    | 3/01/2018  | 5/30/2018 |
| Mumme 60 CPF                   | 33189            | 750                                    | 3/01/2018  | 5/30/2018 |
| Pierce 10 CPF                  | 33197            | 2500                                   | 3/01/2018  | 5/30/2018 |
| Pierce 20 CPF                  | 33199            | 1000                                   | 3/01/2018  | 5/30/2018 |

**Attachment B – Proposed Flaring Authority**

| <b>Facility Name</b>      | <b>Flare Permit No.</b> | <b>Maximum Daily Flaring Volume (MCF/Day)</b> | <b>Dates of Requested Flaring Authority</b> |           |
|---------------------------|-------------------------|---|---|-----------|
| C4 Ranch Facility         | 33203                   | 100   | 5/31/2018                                   | 5/30/2020 |
| Gilbert-Luna CPF          | 33191                   | 5500  | 5/31/2018                                   | 5/30/2020 |
| Miller CPF                | 33192                   | 4000  | 5/31/2018                                   | 5/30/2020 |
| Pflugger CPF              | 33196                   | 2100  | 5/31/2018                                   | 5/30/2020 |
| Vester CPF                | 33186                   | 5000  | 5/31/2018                                   | 5/30/2020 |
| Booth-Middleton CPF       | 33193                   | 5600  | 5/31/2018                                   | 5/30/2020 |
| Sachs CPF                 | 33190                   | 1500  | 5/31/2018                                   | 5/30/2020 |
| Venado Bros. CPF          | 33194                   | 3500  | 5/31/2018                                   | 5/30/2020 |
| Frost Bank Unit CPF       | 33206                   | 1000  | 5/31/2018                                   | 5/30/2020 |
| Siegele CPF               | 33205                   | 3500  | 5/31/2018                                   | 5/30/2020 |
| Kokel CPF                 | 33195                   | 900   | 5/31/2018                                   | 5/30/2020 |
| Lazy Seven Ranch CPF      | 33185                   | 900   | 5/31/2018                                   | 5/30/2020 |
| Gebert-Mumme Unit CPF     | 33204                   | 900   | 5/31/2018                                   | 5/30/2020 |
| Lone Oak Grocery Facility | 33201                   | 900   | 5/31/2018                                   | 5/30/2020 |
| Los Angeles Unit Facility | 33202                   | 3000  | 5/31/2018                                   | 5/30/2020 |
| Mumme 10 CPF              | 33188                   | 1500  | 5/31/2018                                   | 5/30/2020 |
| Mumme 20 Facility         | 33198                   | 200   | 5/31/2018                                   | 5/30/2020 |
| Mumme 30 CPF              | 33187                   | 1500  | 5/31/2018                                   | 5/30/2020 |
| Mumme 40 CPF              | 33200                   | 450   | 5/31/2018                                   | 5/30/2020 |
| Mumme 60 CPF              | 33189                   | 750   | 5/31/2018                                   | 5/30/2020 |
| Pierce 10 CPF             | 33197                   | 2500  | 5/31/2018                                   | 5/30/2020 |
| Pierce 20 CPF             | 33199                   | 1000  | 5/31/2018                                   | 5/30/2020 |