



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0312206

THE APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE RED BLUFF 13 LEASE (COMMINGLING PERMIT NO. 8207), PHANTOM (WOLFCAMP) FIELD, LOVING COUNTY, TEXAS

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

HEARING DATE: August 2, 2018

CONFERENCE DATE: October 16, 2018

APPEARANCES:

REPRESENTING:

APPLICANT:

Bill G. Spencer
Jim Clark

WPX Energy Permian, LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

WPX Energy Permian, LLC ("WPX") (942623) seeks an exception to 16 TAC § 3.32 to flare casinghead gas from eight (8) oil wells on the Red Bluff 13 Lease in the Phantom (Wolfcamp) Field, Loving County, Texas. All eight oil wells were completed in December 2017 and have administrative flaring authority from a commingled central flare point under Permit No. 34339 and Commingling Permit (CP) No. 08-8207.

WPX is requesting to extend flaring authority approved by the Commission through the administrative permitting process, with the administrative authority expiring on July 23, 2018. WPX is seeking a final order to continue flaring authority of casinghead gas for routine maintenance periods or sales line unavailability from the central flare point from July 24, 2018 through July 23, 2020, a period of 2 years at a maximum volume of 800 thousand cubic feet per day (MCF/Day).

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 Red Bluff 13 Lease commingled central 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. WPX 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.

WPX was previously granted administrative flaring authority under Statewide Rule 32 (16 TAC § 3.32), for a single commingled central flare point. The administrative permit authorized 1,600 MCF/Day for a 90-day period from April 26, 2018 to July 23, 2018.

To continue the flaring authority of gas after expiration of the administrative authority, WPX sent a letter requesting a hearing. A Notice of Hearing (NOH) was issued on June 26, 2018, to the Service List which included off-set operators. No protests were received.

WPX is seeking authority to continue flaring authority of casinghead gas from the commingled central flare point from July 24, 2018 through July 23, 2020, a period of 2 years with a requested volume of 800 MCF/Day.

Testimony at the hearing indicate the Red Bluff 13 Lease eight (8) wells are connected to a sales line and only require flaring during periods of routine maintenance, equipment malfunction, upset events and during sales line unavailability.

WPX 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 the Final Order is signed.

The Examiners recommend the exceptions be granted.

FINDINGS OF FACT

1. Notice of this hearing was given to all off-set operators in the Field. There were no protests to the application.
2. WPX Energy Permian, LLC ("WPX") (942623) seeks an exception to 16 TAC § 3.32 to flare gas from eight (8) wells in the Phantom (Wolfcamp) Field, Loving County, Texas.
3. The Red Bluff 13 Lease eight (8) wells were completed in December 2017 and have administrative permit flaring authority from a central flare point under Permit No. 34339 and Commingling Permit (CP) No. 08-8207. The administrative permit authorized 1,600 MCF/Day for a 90-day period from April 26, 2018 to July 23, 2018.
4. WPX sent a letter requesting a hearing. A Notice of Hearing (NOH) was issued on June 26, 2018, to the Service List which included off-set operators.
5. A hearing was held on August 2, 2018.

6. WPX is seeking authority to continue flaring of casinghead gas from a commingled central flare point from July 24, 2018 through July 23, 2020, a period of 2 years, with a flaring volume of 800 MCF/Day.
7. Testimony at the hearing indicate the eight (8) wells are connected to a sales line and only require flaring during periods of routine maintenance, equipment malfunction, upset events and during sales line unavailability.
8. WPX agreed, that, pursuant to these 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 the 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 facts and conclusions of law, the Examiners recommend the Commission enter an order granting the central flare point submitted by WPX Energy Permian, LLC. for exceptions to Statewide Rule 32 for the (8) wells connected to the central flare point under Permit No. 34339 and Commingling Permit (CP) No. 08-8207 in the Phantom (Wolfcamp) Field, Loving County, Texas.

Respectfully submitted,



Robert Musick, P.G.
Technical Examiner



Kristi M. Reeve
Administrative Law Judge