



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 02-0314329

THE APPLICATION OF MATADOR PRODUCTION COMPANY FOR AN EXCEPTION TO STATEWIDE RULE 32 TO FLARE GAS FROM THE FALLS CITY TB (DRILLING PERMIT NOS. 822567 AND 822730), EAGLEVILLE (EAGLE FORD-2) FIELD, KARNES COUNTY, TEXAS.

HEARD BY: Richard Eyster, P. G. – Technical Examiner
Lynn Latombe – Administrative Law Judge

HEARING DATE: September 12, 2018

CONFERENCE DATE: October 16, 2018

APPEARANCES:

Davin McGinnis
Glenn Stetson
Kristin Welch

Matador Production Company

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Matador production company (Matador) seeks an exception to Statewide Rule 32 (16 Tex. Admin. Code §3.32) to flare casinghead gas from the Falls City TB (Drilling Permit Nos. 822567 and 822730), Eagleville (Eagle Ford-2) Field, Karnes County, Texas. Matador seeks two-year authority to flare up to 1500 MCF/D of Casinghead gas from October 1, 2018 through September 30, 2020. The application is not protested and the Technical Examiner and the Administrative Law Judge (collectively the Examiners) recommend the exception be granted.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization of gas well gas and casinghead gas produced by oil and gas wells under the jurisdiction of the Railroad Commission. Matador

received a 177 day administrative permit authorizing the flaring of up to 1,000 MCF/D of casinghead gas from 10/01/2017 through 9/30/2018. On 8/9/2018 Matador applied for a hearing to extend the flaring exception. Matador is requesting an increase in flaring volume to 1,500 MCF/D because Matador will be adding two wells, the 1H and 2H. The current and two future wells are connected to a sale pipeline. However, there is an ongoing need for intermittent flaring due to system upsets, maintenance, and pipeline capacity issues. A review of data from 07/2017 to 6/2018 indicated that Matador is, indeed, selling most of the gas produced and that the flaring authority is only needed on an emergency basis.

Therefore, Matador seeks a Commission final order granting two-year authority to flare up to 1500 MCF/D from The Falls City TB (Drilling Permit Nos. 822567 and 822730), Eagleville (Eagle Ford-2) Field, Karnes County, Texas from October 1, 2018 through September 30, 2020. Matador stated that without additional flaring authority they will have to shut the wells in causing waste and perhaps harm to the reservoir.

FINDINGS OF FACT

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of hearing.
2. Matador applied for a hearing to extend the flaring authority more than 21 days before the administrative permits expired.
3. Matador is requesting to flare 1,500 mcf/d of casinghead gas for two years from October 1, 2018 through September 30, 2020.
4. There is an ongoing need for intermittent flaring due to system upsets, maintenance, and pipeline capacity issues.
5. Without a Final order authorizing the flaring, Matador will have to shut the wells in causing waste and possible harm to the reservoir.


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 §§ 1.43 and 1.45.
3. Matador Production Company has met the requirements in 16 Tex. Admin. Code § 3.32 for an exception to the limitations in that section regarding the requested authority to flare gas produced from the wells connected to the subject flare point.


EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order approving the application as requested by Matador Production Company.

Respectfully submitted,



Richard Eyster, P. G.
Technical Examiner



Lynn Latombe
Administrative Law Judge