



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 8A-0314892

APPLICATION OF RILEY PERMIAN OPERATING CO, LLC (712217) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE HOODOO BROWN LEASE, WELL NOS. 3H AND 4H, PLATANG (SAN ANDRES) FIELD, YOAKUM COUNTY, TEXAS

HEARD BY: Petar Buva – Technical Examiner
Kristi M. Reeve – Administrative Law Judge

HEARING DATE: October 31, 2018
CONFERENCE DATE: December 11, 2018

APPEARANCES: **REPRESENTING:**

APPLICANT: Riley Permian Operating Co, LLC

Bill G. Spencer (Consultant)
James Clark (Engineer)

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Riley Permian Operating Co, LLC (712217) is requesting a Statewide Rule 32 exception for the Hoodoo Brown Lease, Well Nos. 3H and 4H, in the Platang (San Andres) Field, Yoakum County, Texas. Notice of the application was provided to offset operators in the field and no protests were received. The application is unopposed, and the Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of a Statewide Rule 32 exception for the Well Nos. 3H and 4H as requested by Riley Permian Operating Co, LLC ("Riley").

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Specifically, Statewide Rule 32(j) *Opportunity for hearing* states that an operator may request a hearing on any application for an exception, or exception renewal required by this section.

The Commission received a hearing request for a Statewide Rule 32 exception renewal for Well Nos. 3H and 4H on September 5, 2018 to consider a two-year extension.

Riley was granted Flaring Permit No. 33500, effective March 20, 2018 through September 17, 2018 to flare a maximum of 1,000 thousand cubic feet ("MCF") per day of casinghead gas for the flare point associated with Well Nos. 3H and 4H.

Riley seeks authorization to flare 500 MCF per day from the flare point associated with Well Nos. 3H and 4H from September 18, 2018 through September 17, 2020. Flaring will be limited to occasional system upsets when the gas plant or lines are down.

Riley agreed that pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order can be final and effective on the date a Master Order relating to this Final Order is signed.

FINDINGS OF FACT

1. Notice of this hearing was given to offset operators in the subject field at least ten days prior to the date of hearing. There were no protests to the application.
2. The Commission received a hearing request for a Statewide Rule 32 exception the flare point associated with Well No. 4H to consider a two-year extension of the current flare permit.
3. The Notice of Additional Well has been sent on November 1, 2018, by which Well No. 3H has been added to the request for a Statewide Rule 32 exception under the Oil and Gas Docket No. 8A-0314892.
4. Riley requests an exception to Statewide Rule 32 for the flare point associated with Well No. 3H and 4H for a period of two years from September 18, 2018 through September 17, 2020 to flare a maximum of 500 MCF per day of casinghead gas.
5. Riley was granted Flaring Permit No. 33500, effective June 19, 2018 through September 17, 2018 to flare a maximum of 1,000 MCF per day of casinghead gas for the flare point associated with Well No. 4H.
6. Riley agreed in writing or on the record that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order can be final and effective on the date a Master Order relating to this Final Order is signed.

CONCLUSIONS OF LAW

1. Notice was issued as required by applicable statutes and commission rules.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.

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 by agreement of the parties in writing or on the record, the Final Order can be final and effective when a Master Order relating to this 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 from September 18, 2018 through September 17, 2020 of maximum 500 MCF per day for the for Well No. 3H and 4H, in the Platang (San Andres) Field, Yoakum County, Texas as requested by Riley Energy Permian, LLC.

Respectfully submitted,



Petar Buva
Technical Examiner



Kristi M. Reeve
Administrative Law Judge