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DANA AVANT LEWIS
DIRECTOR

RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0314807

APPLICATION OF CARRIZO (PERMIAN) LLC (135317) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR 4 FLARE POINTS IN TH PHANTOM (WOLFCAMP) FIELD, REEVES COUNTY, TEXAS

HEARD BY: Petar Buva – Technical Examiner
Jennifer N. Cook – Administrative Law Judge

HEARING DATE: November 16, 2018

CONFERENCE DATE: December 11, 2018

APPEARANCES:

REPRESENTING:

APPLICANT: Carrizo (Permian) LLC

George Neale (Attorney)
Rick Johnston (Consulting Engineer)
Kimmy Watson (Compliance Director)

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Carrizo (Permian) LLC (135317) is requesting a Statewide Rule 32 flaring exception for the flare points Bobcat State Unit 1718 #3H, Griffin State Unit 1922 #10H, Zeman 40 #1 (Pilot), and Zeman-State Alloc A 4042 #10H, in the Phantom (Wolfcamp) Field, Reeves 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 Statewide Rule of a Statewide Rule 32 exception for the 4 flare points in the Phantom (Wolfcamp) Field, Reeves County, Texas as requested by Carrizo (Permian) LLC ("Carrizo").

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 a flaring exception, or flaring exception renewal required by this section.

Carrizo requests an exception to Statewide Rule 32 for the flare points Bobcat State Unit 1718 #3H, Griffin State Unit 1922 #10H, Zeman 40 #1 (Pilot), and Zeman-State Alloc A 4042 #10H, in the Phantom (Wolfcamp) Field as listed in Appendix A. Carrizo requests permission to flare a maximum of 5,000 thousand cubic feet (MCF) per day of casinghead gas for up to 2 years from September 1, 2018 through September 1, 2020.

Carrizo filed a hearing request on August 21, 2018 for an exception to Statewide Rule 32 for 8 flare points in the Ford, West (Wolfcamp) and Phantom (Wolfcamp) Fields. On October 17, 2018 Carrizo amended its Statewide Rule 32 exception request to seek flaring exception for 4 flare points in the Phantom (Wolfcamp) Field. The expiration of prior administrative flaring exceptions, Flare Permit Nos. 35117, 35115, 35116, and 35114, is listed in the Appendix A.

The subject flare points will be used during routine maintenance or sales line unavailability.

Carrizo 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. On August 21, 2018 the Commission received a hearing request from Carrizo for an exception to Statewide Rule 32 for 8 flare points in the Ford, West (Wolfcamp) and Phantom (Wolfcamp) Fields.
3. On October 17, 2018 Carrizo amended its Statewide Rule 32 exception request to seek flaring exception for 4 flare points in the Phantom (Wolfcamp) Field.
4. Carrizo requests an exception to Statewide Rule 32 in the application for a period of two years from September 1, 2018 through September 1, 2020 to flare a maximum of 5,000 MCF per day of casinghead gas.

5. The flare points that are subject of this request have been flaring under the Flare Permits listed in the Appendix A.
6. Carrizo 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 1, 2018 through September 1, 2020 of maximum 5,000 MCF per day for the flare points Bobcat State Unit 1718 #3H, Griffin State Unit 1922 #10H, Zeman 40 #1 (Pilot), and Zeman-State Alloc A 4042 #10H, in the Phantom (Wolfcamp) Field, Reeves County, Texas as requested by Carrizo (Permian) LLC.

Respectfully submitted,



Petar Buva
Technical Examiner



Jennifer N. Cook
Administrative Law Judge

APPENDIX A

FLARE PERMIT ID	35117	35115	35116	35114
Wells / Pads	Bobcat State Unit 1718 #3H	Griffin State Unit 1922 #10H	Zeman 40 #1 (Pilot)	Zeman-State Alloc A 4042 #10H
Facility name	Bobcat CPF	Griffin CPF	Zeman 40 CPF	Zeman East CPF
Lease ID	49818	50052	48785	49394
CPF Lat/Long	-103.55062	-103.57406	-103.51669	-103.51102
	31.5187	31.505	31.4672	31.4704
Flare Volumes MCF/day	5,000	5,000	5,000	5,000
Prior administrative flaring exception Dates	05/28/2018 – 11/25/2018	03/03/2018 – 09/06/2018	05/22/2018 – 11/19/2018	03/07/2018 – 09/04/2018
Permit Dates	September 1, 2018 – September 1, 2020	September 1, 2018 – September 1, 2020	September 1, 2018 – September 1, 2020	September 1, 2018 – September 1, 2020