



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 08-0313718**

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**APPLICATION OF XTO ENERGY INC. (945936) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE WINDHAM RANCH 42 TB (40891) LEASE IN THE SPRABERRY (TREND AREA) FIELD, MIDLAND COUNTY, TEXAS**

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**HEARD BY:** Robert Musick, P.G. – Technical Examiner  
Jennifer Cook - Administrative Law Judge

**HEARING DATE:** October 25, 2018

**CONFERENCE DATE:** January 23, 2019

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

David Gross  
Dale E. Miller  
Patty Urias  
Sherry Pack

XTO Energy Inc.

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

XTO Energy Inc. (XTO) seeks an exception to Statewide Rule 32 to flare casinghead gas associated with the Windham Ranch 42 TB in the Spraberry (Trend Area) Field (Field No. 85280300) in Midland County, Texas. The current flaring permit (SWR 32 Permit No. 34112) expired on July 28, 2018.

XTO requests flaring authorization for the Windham Ranch 42 TB flare point. XTO is seeking an emergency exception to flare casinghead gas volumes of 350 thousand cubic feet per day ("MCF/Day") from July 29, 2018 through July 28, 2020, for a two-year period.

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 commingled 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. XTO seeks flaring authority pursuant to Statewide Rule 32(f)(1)(B), 32(f)(1)(C) and 32(h)(4), as follows:

*A flaring exception is required if you flare for more than 72 hours in one calendar month or if you flare for a period of time exceeding 24 hours in one calendar month.*

*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.*

XTO was granted an administrative exception to Statewide Rule 32, for the Windham Ranch 42 TB flare point through administrative SWR 32 Permit No. 34112. The administrative permit was for a period of 60 days, expiring on July 28, 2018, with an authorized flare volume of 350 MCF/Day.

To continue the flaring authority of casinghead gas, XTO filed a letter dated July 23, 2018, requesting a hearing to be conducted to seek continued flaring authority for the Windham Ranch 42 TB flare point. The Hearings Division issued a Notice of Hearing to all of the offset Operators on the Service List on September 26, 2018, and a public hearing was held on October 25, 2018. At the hearing, XTO was seeking flaring authority of 350 MCF/Day for two years, from July 29, 2018 to July 28, 2020.

Testimony at the hearing indicates the wells associated with the Windham Ranch 42 TB are connected to a DCP Operating Company, LP gas transmission line. The wells will require flaring during periods of routine maintenance, equipment malfunction, upset events, and during sales line unavailability.

XTO 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 exception be granted.

### **FINDINGS OF FACT**

1. Proper notice of this hearing was provided to all offset operators at least ten (10) days prior to the date of the hearing and no protests were received.
2. XTO Energy Inc. seeks an exception to Statewide Rule 32 to flare casinghead gas associated with the Windham Ranch 42 TB in the Spraberry (Trend Area) Field (Field No. 85280300) in Midland County, Texas.

3. XTO was granted an administrative exception to Statewide Rule 32, for the Windham Ranch 42 TB flare point through a SWR 32 Permit No. 34112. The administrative exception was for a period of 60 days, expiring July 28, 2018, with an authorized flare volume of 350 MCF/Day.
4. XTO filed a letter dated July 23, 2018, requesting a hearing to be conducted to seek continued flaring authority for the Windham Ranch 42 TB flaring point.
5. The Hearings Division issued a Notice of Hearing to the Service List on September 26, 2018.
6. A public hearing was held on October 25, 2018.
7. XTO is seeking a flaring authority of 350 MCF/Day, for two-years, from July 29, 2018 to July 28, 2020.
8. Testimony at the hearing indicates the wells associated with Windham Ranch 42 TB are connected to a DCP Operating Company, LP gas transmission line. The wells will only require flaring during periods of routine maintenance, equipment malfunction, upset events, and during sales line unavailability.
9. XTO 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.

#### **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 that the Commission grant the exceptions to Statewide Rule 32 for the Windham Ranch 42 TB flare point with flaring authority of 350 MCF/Day for two-years, from July 29, 2018 to July 28, 2020.

Respectfully submitted,



Robert Musick, P.G.  
Technical Examiner



Jennifer Cook  
Administrative Law Judge