



RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. . 08-0313722

APPLICATION OF XTO ENERGY INC. (945936) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE NOBLES (39040) LEASE AND THE NOBLES "A" (39041) LEASE IN THE SPRABERRY (TREND AREA) FIELD, MIDLAND COUNTY, TEXAS

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 Nobles (39040) and Nobles "A" (39041) Lease, both in the Spraberry (Trend Area) Field (Field No. 85280300), Midland County, Texas. The current flaring permits for the Nobles 29H TB (Permit No. 34114), the Nobles 29 TB (Permit No. 34113), the Nobles 33 TB (Permit No. 34116), and the Nobles A TB (32 Permit No. 34115) all expired on July 28, 2018.

XTO is seeking an exception to flare casinghead gas volumes of 8,000 thousand cubic feet per day ("MCF/Day") for the Nobles 29H TB; 400 MCF/Day for the Nobles 29 TB; 500 MCF/Day for the Nobles 33 TB; and 250 MCF/Day for the Nobles "A" TB. XTO is requesting flaring authority for all four tank batteries located on the Nobles and Nobles A Leases from July 29, 2018 through July 28, 2020, 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 requested flare points.

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 Nobles 29H TB, Nobles 29 TB, Nobles 33 TB, and Nobles A TB flare points. The administrative exception was for a period of 60 days, expiring on July 28, 2018, with an authorized flare volume of:

- 8,000 MCF/Day for the Nobles 29H TB, Permit No. 34114;
- 400 MCF/Day for the Nobles 29TB, Permit 34113;
- 500 MCF/Day for Nobles 33 TB, Permit No. 34116; and
- 250 MCF/Day for Nobles "A" TB, Permit No. 35115.

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 Nobles 29H TB, Nobles 29 TB, Nobles 33 TB and Nobles A TB flare points. XTO Energy Inc. is seeking authorization to flare casinghead gas volumes for two-years as follows:

- Nobles (39040) Lease, Nobles 29H TB flare point with flaring authority of 8,000 MCF/Day authorized under Permit No. 34114, from July 29, 2018 to July 28, 2020;
- Nobles (39040) Lease, Nobles 29 TB flare point with flaring authority of 400 MCF/Day authorized under Permit No. 34113, from July 29, 2018 to July 28, 2020;
- Nobles (39040) Lease, Nobles 33 TB flare point with flaring authority of 500 MCF/Day authorized under Permit No. 34116, from July 29, 2018 to July 28, 2020; and

- Nobles "A" (39041) Lease, Nobles A TB flare point with flaring authority of 250 MCF/Day authorized under Permit No. 34115, from July 29, 2018 to July 28, 2020.

Testimony at the hearing indicates the wells associated with the Nobles and Nobles "A" Leases are connected to an Enlink North Texas Gathering, 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 Statewide Rule 32 Flaring exceptions 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. (XTO) seeks an exception to Statewide Rule 32 to flare casinghead gas associated with the Nobles 29H TB, Nobles 29 TB, Nobles 33 TB flares under Lease Number (39040), and the Nobles A TB flare under Lease Number (39041) in the Spraberry (Trend Area) Field (Field No. 85280300), Midland County, Texas.
3. XTO was granted an administrative exception to Statewide Rule 32, for the Nobles 29H TB, Nobles 29 TB, Nobles 33 TB, and Nobles "A" TB. The permits were for a period of 60 days, expiring on July 28, 2018, with an authorized flare volume of:
 - 8,000 MCF/Day for the Nobles 29H TB, Permit No. 34114;
 - 400 MCF/Day for the Nobles 29TB, Permit 34113;
 - 500 MCF/Day for Nobles 33 TB, Permit No. 34116; and
 - 250 MCF/Day for Nobles "A" TB, Permit No. 35115.
4. XTO filed a letter dated July 23, 2018, requesting that a hearing be conducted to seek continued flaring authority for the Nobles 29H TB, Nobles 29 TB, Nobles 33 TB and Nobles A TB, flare points.
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 Energy Inc. is seeking authorization to flare casinghead gas volumes for two-years as follows:
- Nobles (39040) Lease, Nobles 29H TB flare point with flaring authority of 8,000 MCF/Day authorized under Permit No. 34114, from July 29, 2018 to July 28, 2020;
 - Nobles (39040) Lease, Nobles 29 TB flare point with flaring authority of 400 MCF/Day authorized under Permit No. 34113, from July 29, 2018 to July 28, 2020;
 - Nobles (39040) Lease, Nobles 33 TB flare point with flaring authority of 500 MCF/Day authorized under Permit No. 34116, from July 29, 2018 to July 28, 2020; and
 - Nobles "A" (39041) Lease, Nobles A TB flare point with flaring authority of 250 MCF/Day authorized under Permit No. 34115, from July 29, 2018 to July 28, 2020.
8. Testimony at the hearing indicates the wells associated with the Nobles and Nobles "A" Leases are connected to an Enlink North Texas Gathering 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 Nobles 29H TB flare point with flaring authority of 8,000 MCF/Day, the Nobles 29 TB flare point with flaring authority of 400 MCF/Day, the Nobles 33 TB flare point with flaring authority of 500 MCF/Day, and the Nobles A TB flare point with flaring authority of 250 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