



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0314816

APPLICATION OF ANADARKO E&P ONSHORE LLC (020528) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FLARE POINTS IN THE SANDBAR (BONE SPRING) FIELD, LOVING, REEVES AND WARD COUNTIES, TEXAS

HEARD BY: Richard Eyster, P.G. – Technical Examiner
Kristi M. Reeve – Administrative Law Judge

HEARING DATE: November 1, 2018

CONFERENCE DATE: February 5, 2019

APPEARANCES: **REPRESENTING:**

APPLICANT:

Ana Maria Marsland, Attorney
David Christian, Consultant

Anadarko E&P Onshore LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Anadarko E&P Onshore LLC, ("Anadarko") seeks an exception to Statewide Rule 32 (16 Tex. Admin. Code § 3.32) to flare low pressure casinghead ("flash") gas from the five flare points listed in Appendix A, in the Sandbar (Bone Spring) Field, Loving, Reeves and Ward Counties, Texas. Anadarko seeks two-year authority to flare casinghead and flash gas from October 30, 2018, through October 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.

The five flare points are located at the five production facilities (tank batteries, etc.), and each facility services various wells on the leases. The wells are tied into a pipeline,

and most of the produced casinghead gas is sold. Anadarko stated that they have a need to flare low pressure flash gas from the water and oil storage tanks at the facilities. Anadarko stated that the flash gas they are requesting to flare is low pressure, usually less than six pounds per square inch ("psi"), which is so low it is uneconomical to capture and compress to the gathering systems' pipeline pressure. There are also occasional pipeline upsets that will require intermittent flaring to avoid shutting in the wells.

Anadarko obtained administrative flare permits for the five flare points, authorizing the intermittent flaring of flash gas from the tank batteries at various rates through October 29, 2018, for a cumulative period of 180 days. The administrative flare permits were also issued due to intermittent pipeline issues. On August 27, 2018, Anadarko applied for a hearing to extend the flaring exception. Anadarko is requesting to flare the volumes shown in Appendix A due to an ongoing need for intermittent flaring due to system upsets, pipeline capacity issues, and low pressure flash gas.

Anadarko seeks a Commission final order granting two-year authority to flare the volumes shown in Appendix A from October 30, 2018, through October 30, 2020. Anadarko 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. Anadarko applied for a hearing to extend the flaring authority more than 21 days before the administrative permits expired.
3. Anadarko seeks a Commission final order granting two-year authority to flare the volumes shown in Appendix A from October 30, 2018, through October 30, 2020.
4. There is an ongoing need for intermittent flaring due to system upsets and low flash gas pressure.
5. Without a Final order authorizing the flaring, Anadarko will have to shut the wells in, causing waste and possible harm to the reservoir.
6. Anadarko agreed that, pursuant to the provisions of Texas Government Code § 2001.144(a)(4)(A), this Final Order 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. Anadarko E&P Onshore, LLC 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.
4. Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code, and the agreement of the applicant, this Final Order is 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 the Commission enter an order approving the application as requested by Anadarko E&P Onshore, LLC.

Respectfully submitted,



Richard Eyster, P.G.
Technical Examiner



Kristi M. Reeve
Administrative Law Judge

APPENDIX A

RRC Lease Nos.	RRC Permit Nos.	Location	Permit Start Date	Permit End Date	Maximum Flare Volume (MCF/Day)	Additional Information/Notes (i.e. Well Nos, Lat. Long., etc.)
33764	48793	APC 28-5 4H	10/30/2018	10/30/2020	80	APC 28-5 4H
33785	40151	CHEVRON 34-157 PAD	10/30/2018	10/30/2020	225	CHEVRON 34-157 PAD (CHEVRON 34-157 2H & 3H)
33753	48579	JOHNSON RANCH PAD	10/30/2018	10/30/2020	115	JOHNSON RANCH PAD (1-49 3H & 4H, RAYMORE 1-48 U LH & 2H)
33784	48494	LINK 1-32 1H/2H/3H/GADDIE 1-31 UNIT 1H/2H/3H PROD FAC	10/30/2018	10/30/2020	60	LINK 1-32 LH, 2H, & 3H /GADDIE 1-31 UNIT LH, 2H, & 3H PROD FAC
33750	48013	LOVING V FACILITY	10/30/2018	10/30/2020	280	LOVING V (THRESHER 54-1-5 LH, THRESHER 54-1-7 LH, & THRESHER 54-1-17 LH)