



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0315953

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APPLICATION OF PDC PERMIAN, INC. (646832) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS LEASES, PHANTOM (WOLFCAMP) FIELD, REEVES COUNTY, TEXAS

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

**HEARING DATE:** December 19, 2018

**CONFERENCE DATE:** February 5, 2018

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:** PDC Permian, Inc.

Kelly Kenney, Attorney  
Collin Placke, Engineer, PDC Permian, Inc.  
Sydney Smith, Regulatory Technician, PDC Permian, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

PDC Permian, Inc. (646832) ("PDC") is requesting a Statewide Rule 32 flaring exception for various leases, 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 a Statewide Rule 32 exception for various leases as requested by PDC.

#### 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.

PDC requests an exception to Statewide Rule 32 for following time periods and rates:

Well Name	Flare Point	Effective Date	Expiration Date	Volume MCF/month
Greenwich NE 3130 B1H	34179	10/30/2018	10/30/2020	20,000
Greenwich NW 3130 A1H	34178	10/30/2018	10/30/2020	8,500
Greenwich SW 3142 A1H	34182	10/30/2018	10/30/2020	12,500
Old Monarch State 12 B1H	34184	10/30/2018	10/30/2020	6,000
Hornet State 0607 1U A1H	34181	10/30/2018	10/30/2020	25,000
Yellow Jacket 1716 B1H	34181	10/30/2018	10/30/2020	30,000
Sunnyside State 2 A1H	34183	10/30/2018	10/30/2020	4,000

PDC filed a hearing request on October 15, 2018. The prior administrative flaring exceptions were:

Well Name	Lease	Permit Number	Expiration Date	Volume MCF/month
Greenwich NE 3130 B1H	283481	34179	10/29/2018	272
Greenwich NW 3130 A1H	283158	34178	10/29/2018	66
Greenwich SW 3142 A1H	284925	34182	10/29/2018	138
Old Monarch State 12 B1H	284700	34184	10/29/2018	97
Hornet State 0607 1U A1H	283815	34181	10/29/2018	311
Yellow Jacket 1716 B1H	283817	34181	10/29/2018	519
Sunnyside State 2 A1H	284710	34183	10/29/2018	50

The subject wells are connected to a sales line. The wells are in a remote portion of Reeves County and the operator cannot always react to the upset conditions, such as compression issues, in a timely manner. Therefore, PDC requests flaring authority during upset conditions, line unavailability, or routine maintenance.

PDC 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 October 15, 2018, the Commission received a hearing request from PDC for an exception to Statewide Rule 32 for various wells in the Phantom (Wolfcamp) Field, Reeves County Texas.

3. PDC requests an exception to Statewide Rule 32 in the application for a period of two years from October 30, 2018 through October 30, 2020 to flare a maximum monthly volumes listed in the Attachment 1.
4. The subject wells have been flaring under the Flaring Permit Nos. 34179, 34178, 34182, 34184, 34180, 34181, and 34183 all of which expired on October 29, 2018.
5. The requested Rule 32 exception is necessary to avoid the curtailment of gas production by reducing production or shutting in a well, which would result in mechanical difficulties and/or the reduction of ultimate recovery from the reservoir.
6. PDC 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 October 30, 2018 through October 30, 2020 for monthly volumes listed in the Attachment 1, in the Phantom (Wolfcamp) Field, Reeves County, Texas, as requested by PDC Permian, Inc.

Respectfully submitted,



Petar Buva  
Technical Examiner



Kristi M. Reeve  
Administrative Law Judge

**Attachment 1**

<b>Well Name</b>	<b>Lease Number</b>	<b>Effective Date</b>	<b>Expiration Date</b>	<b>Volume MCF/month</b>
Greenwich NE 3130 B1H	283481	10/30/2018	10/30/2020	20,000
Greenwich NW 3130 A1H	283158	10/30/2018	10/30/2020	8,500
Greenwich SW 3142 A1H	284925	10/30/2018	10/30/2020	12,500
Old Monarch State 12 B1H	284700	10/30/2018	10/30/2020	6,000
Hornet State 0607 1U A1H	283815	10/30/2018	10/30/2020	25,000
Yellow Jacket 1716 B1H	283817	10/30/2018	10/30/2020	30,000
Sunnyside State 2 A1H	284710	10/30/2018	10/30/2020	4,000