



RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0312381

APPLICATION OF OXY USA WTP LP (630555) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE MARCO CTB, AMERIGO, AND WEST MERCHANT FLARE POINTS, SPRABERRY (TREND AREA) FIELD, REAGAN COUNTY, TEXAS

OIL & GAS DOCKET NO. 08-0312382

APPLICATION OF OXY USA WTP LP (630555) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE AGATE CTB FLARE POINT, WOLFBONE (TREND AREA) FIELD, REEVES COUNTY, TEXAS

HEARD BY: Peggy A. Laird – Technical Examiner
Clayton J. Hoover – Administrative Law Judge

PREPARED BY: Petar Buva – Technical Examiner

HEARING DATE: September 20, 2018

CONFERENCE DATE: February 5, 2019

APPEARANCES: **REPRESENTING:**
APPLICANT: OXY USA WTP LP
John Hicks (Attorney)

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Oxy USA WP LP (630555) ("Oxy") is requesting a Statewide Rule 32 flaring exception for the for the Marco CTP, Amerigo, and West Merchant Flare Points, Spraberry (Trend Area) Field, in Reagan County, Texas and the Agate CTB Flare Point, Wolfbone (Trend Area) Field, in 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 the four flare points as requested by Oxy.

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.

Oxy requests an exception to Statewide Rule 32 for its three flare points: Marco CTP, Amerigo, and West Merchant (Flare Permit No. 32826). Oxy requests permission to flare for following time periods and rates:

Flare Point	Volume / MCF per day	Duration
Marco CTP, Amerigo, and West Merchant (Flare Permit No. 32826)	5,378 MCF per day Casinghead Gas	July 13, 2018 to September 30, 2019

Oxy requests an exception to Statewide Rule 32 for the Agate CTP Flare Point (Flare Permit No. 32826). OXY requests permission to flare for following time periods and rates:

Flare Point	Volume / MCF per day	Duration
Agate CTP (Flare Permit No. 33729)	60 MCF per day Casinghead Gas	July 26, 2018 to August 31, 2018

Oxy requests flaring during routine maintenance or sales line unavailability.

Oxy 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 June 20, 2018, the Commission received a hearing request from Oxy for an exception to Statewide Rule 32 for the flaring points Marco CTP, Amerigo, and West Merchant (Flare Permit No. 32826), and Agate CTP Flare Point (Flare Permit No. 32826).
3. Oxy requests an exception to Statewide Rule 32 for the Marco CTP, Amerigo, and West Merchant flare point for from July 13, 2018 through September 30, 2019 to flare a maximum of 5,378 MCF of casinghead gas per day.
4. Oxy requests an exception to Statewide Rule 32 for the Agate CTP flare point from July 26, 2018 through August 31, 2019 to flare a maximum of 60 MCF of gas per day.

5. The Marco CTP, Amerigo, and West Merchant flare point was flaring under the flare permit No. 32826 that expired on July 12, 2018 and the Agate CTP was flaring under the Flare Permit No. 33729 that expired on July 23, 2018.
6. The requested Rule 32 Exception is necessary to avoid curtailment of gas production by reducing production or shutting in well, which would result in mechanical difficulties and/or reduction of ultimate recovery from the reservoir.
7. Oxy 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 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 for Marco CTP, Amerigo, and the West Merchant (Flare Permit No. 32826) in the Spraberry (Trend Area) EXC Field, Reagan County, Texas, and the Agate CTP (Flare Permit No. 33729) in the Wolfbone (Trend Area) Field, in Reeves County, Texas as shown in the Attachment 1 and requested by Oxy USA WTP LP.

Respectfully submitted,



Petar Buva
Technical Examiner



Clayton J. Hoover
Administrative Law Judge

Attachment 1

Flare Point	Volume / MCF per day	Duration
Marco CTP, Amerigo, and West Merchant (Flare Permit No. 32826)	5,378 MCF per day Casinghead Gas	July 13, 2018 to September 30, 2019
Agate CTP (Flare Permit No. 33729)	60 MCF per day Casinghead Gas	July 26, 2018 to August 31, 2019