



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0316028

APPLICATION OF HALCON OPERATING CO., INC. (344412) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE EVEREST CPF (FLARE PERMIT NO. 34884), PHANTOM (WOLFCAMP) AND HOEFS T-K (WOLFCAMP) FIELDS, WARD COUNTY, TEXAS

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

HEARING DATE: December 18, 2018

CONFERENCE DATE: March 26, 2019

APPEARANCES: **REPRESENTING:**

APPLICANT: Halcon Operating Co., Inc.

Mark Hanna (Attorney)
James M. Clark (Engineer)

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Halcon Operating Co., Inc. (344412) ("Halcon") is requesting a Statewide Rule 32 flaring exception for the Everest CPF (Flare Permit No. 34884), Phantom (Wolfcamp) Field, and Hoefs T-K (Wolfcamp) Field, Ward County, Texas. Notice of the application was provided to offset operators in the field and no protests were received. The applications are 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 Halcon.

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.

Halcon requests an exception to Statewide Rule 32 for the Everest CPF (Flare Permit No. 34884). Halcon requests permission to flare 28,000 thousand cubic feet (MCF) of casinghead gas from November 15, 2018 through November 14, 2020.

Halcon filed a hearing request for flare point Everest CPF on October 24, 2018. The prior administrative Flaring Permit No. 34884 expired on November 14, 2018. Halcon requests flaring during routine maintenance or sales line unavailability.

Halcon 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 24, 2018, the Commission received a hearing request from Halcon for an exception to Statewide Rule 32 for the flare point Everest CPF.
3. Halcon requests an exception to Statewide Rule 32 for Everest CPF flare point for a period of two years from November 15, 2018 through November 14, 2020, to flare a maximum of 28,000 MCF of gas per day.
4. The Everest CPS was flaring under the Flare Permit No. 34884 that expired on November 14, 2018.
5. 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.
6. Halcon 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 the Everest CPF flare point, in the Phantom (Wolfcamp) Field, Phantom (Wolfcamp) Field, and Hoefs T-K (Wolfcamp) Field, Ward County, Texas, as requested by Halcon Operating Co., Inc.

Respectfully submitted,

Petar Buva
Technical Examiner

Kristi M. Reeve
Administrative Law Judge