



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL & GAS DOCKET NO. 08-0317190**

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**APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE LINDSAY 10 LEASE, WELL NO. 2H, SANDBAR (BONE SPRING) FIELD, LOVING COUNTY, TEXAS**

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**HEARD BY:** Petar Buva – Technical Examiner  
Lynn Latombe – Administrative Law Judge

**HEARING DATE:** March 12, 2019  
**CONFERENCE DATE:** April 9, 2019

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

**APPLICANT:** WPX Energy Permian, LLC

Bill Spencer (Attorney)  
James Clark (Engineer)

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

WPX Energy Permian, LLC (942623) ("WPX") is requesting a Statewide Rule 32 exception for the Lindsey 10 Lease (279351), Well No. 2H, in the Sandbar (Bone Spring) Field, Loving 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 Well No. 2H as requested by WPX.

#### **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 an exception, or exception renewal required by this section.

The Commission received a hearing request for a Statewide Rule 32 exception for Well No. 2H on December 19, 2018. WPX has been flaring Well No. 2H under the Flaring

Permit No. 33119, effective through October 6, 2018, and a maximum flaring volume of 100 thousand cubic feet ("MCF") per day of gas.

WPX seeks authorization to flare up to 100 MCF of gas per day from the flare point associated with Well No. 2H from December 20, 2018 through December 20, 2020. The well is connected to a sales line and the flaring will be limited to occasional upset conditions when the gas plant is unable to accept 100% of the produced gas. Curtailment of gas production by reducing production or shutting in the well would result in mechanical difficulties and/or reduction of ultimate recovery from the reservoir. Summary of WPX's request is below:

Permit No.	Lease No.	Lease Name	Permit Start Date	Permit End Date	Maximum Flare Volume (MCF/Day)
33119	08-279351	Lindsey 10	December 20, 2018	December 20, 2020	100

WPX 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. The Commission received a hearing request on December 19, 2018 for a Statewide Rule 32 exception for the flare point associated with Well No. 2H.
3. WPX requests an exception to Statewide Rule 32 for the flare point associated with Well No. 2H for a period of two years from December 20, 2018 through December 20, 2020 to flare a maximum of 100 MCF of gas per day.
4. WPX was granted Flaring Permit No. 33119, effective through December 19, 2018 to flare a maximum of 100 MCF per day of gas for the flare point associated with Well No. 2H.
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. WPX 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 from December 20, 2018 through December 20, 2020 of maximum 100 MCF per day for the for Lindsay 10 Lease, Well No. 2H, in the Sandbar (Bone Spring) Field, Loving County, Texas as requested by WPX Energy Permian, LLC.

Respectfully submitted,

  
Petar Buva  
Technical Examiner

  
Lynn Latombe  
Administrative Law Judge