



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0315202

APPLICATION OF MATADOR PRODUCTION COMPANY (532993) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR DOROTHY WHITE TB LEASE, PHANTOM (WOLFCAMP) AND TWO GEORGES (BONE SPRINGS) FIELDS, LOVING COUNTY, TEXAS

OIL AND GAS DOCKET NO. 08-0316890

APPLICATION OF MATADOR PRODUCTION COMPANY (532993) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE KERR 83 TB LEASE, PHANTOM (WOLFCAMP) FIELD, LOVING COUNTY, TEXAS

OIL AND GAS DOCKET NO. 08-0316945

APPLICATION OF MATADOR PRODUCTION COMPANY (532993) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE WALTER FISTER 71-TTT-B01 WF TB FACILITY, PHANTOM (WOLFCAMP) FIELD, LOVING COUNTY, TEXAS

OIL AND GAS DOCKET NO. 08-0316946

APPLICATION OF MATADOR PRODUCTION COMPANY (532993) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE WOLF 80 TTT-B33 WF (SOUTH) TB FACILITY, PHANTOM (WOLFCAMP) FIELD, LOVING COUNTY, TEXAS

OIL AND GAS DOCKET NO. 08-0316947

APPLICATION OF MATADOR PRODUCTION COMPANY (532993) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE LARSON 04-TTT-B01 WF TB FACILITY, PHANTOM (WOLFCAMP) FIELD, LOVING COUNTY, TEXAS

HEARD BY: Robert Musick, P.G. – Technical Examiner
Kristi M. Reeve - Administrative Law Judge

HEARING DATE: January 30, 2019

CONFERENCE DATE: May 21, 2019

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

Davin McGinnis (Attorney)
Kristin Welch (Production Manager)
Brian Fancher (Analyst)

Matador Production Company

EXAMINERS' REPORT AND RECOMMENDATION**STATEMENT OF THE CASE**

Matador Production Company ("Matador") seeks an exception to 16 TAC §3.32 to flare casinghead gas from the five (5) captioned leases and their associated wells and flare points. Four (4) of the captioned leases are in the Phantom (Wolfcamp) Field; and one of the captioned leases, identified as the Dorothy White TB Lease, is in the Phantom (Wolfcamp) and Two Georges (Bond Springs) Fields. All five captioned leases are located in Loving County, Texas.

Matador is requesting flaring authority for a two-year period through final orders. Four (4) of the captioned leases have been administratively granted Statewide Rule 32 exceptions: the Kerr 83 TB Lease, the Larson 04-TTT-B01 WF TB Lease, the Walter Fister 71-TTT-B01 WF TB Lease, and the Wolf 80 TTT-B33 WF (South) TB Lease. The Dorothy White TB Lease has been granted flaring authority under a final order expiring September 30, 2018.

Testimony at the hearing indicate the wells associated with the caption dockets are connected to a sales line and only require flaring during periods of routine maintenance, equipment malfunction, upset events and during sales line unavailability.

The applications are unprotested, and the Technical Examiner and Administrative Law Judge (collectively "Examiners") recommend approval of the exception to Statewide Rule 32 for the five captioned leases and their associated flare points.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas and casinghead gas produced under the jurisdiction of the Railroad Commission. Matador seeks relief pursuant to Statewide Rule 32(h)(4), as follows:

Requests for exceptions for more than 180-days and for volumes greater than 50 MCF of hydrocarbon gas per day shall be granted only in a final order signed by the commission.

Matador was previously granted an exception to Statewide Rule 32, for a period not exceeding 180 days, for four of the five captioned leases and associated flare points. Also, one of the captioned dockets, the Dorothy White TB Lease, was authorized through a final order expiring on September 30, 2018. Attachment A identifies previous flaring authority issued for to the captioned leases, their associated administrative authority/final order, assigned flare permit numbers, the approved flare volumes, and the assigned administrative flaring authority expiring dates.

To continue the flaring authority of gas after expiration of the respective administrative authority or final order, Matador sent a letter for each application requesting a hearing. The Hearings Division issued a Notice of Hearing to the Service List for each captioned docket. Notice of the hearing was given to all parties entitled to notice at least ten (10) days prior to the date of the hearing.

A public hearing was held on January 30, 2019 to continue flaring authority for the leases and their associated flare points for a period of two years. Attachment B identifies the caption dockets, lease information, assigned flare permit numbers, the flare volumes and flaring authority sought by Matador.

Testimony at the hearing indicate wells associated with the caption dockets, are connected to a sales line. Typically, flaring volumes for each captioned docket is less than one percent of the volume that is produced during the month. The wells only require flaring during periods of routine maintenance, equipment malfunction, upset events and during sales line unavailability.

Matador agreed on the record, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), the Final Orders in these cases shall be final and effective on the date a Master Order relating to these Final Orders is signed.

The Examiners recommend the exceptions be granted.

FINDINGS OF FACT

1. Matador Production Company ("Matador") seeks an exception to 16 TAC §3.32 to flare casinghead gas from the five (5) captioned leases and their associated wells and flare points.
2. The Hearings Division issued a Notice of Hearing ("Notice") to the Service List for each captioned docket. Notice was given to all parties entitled to notice at least ten (10) days prior to the date of the hearing. There were no protests to the applications.
3. Four of the captioned leases are in the Phantom (Wolfcamp) Field; and one of the captioned leases, identified as the Dorothy White TB Lease, is in the Phantom (Wolfcamp) and Two Georges (Bond Springs) Fields. All five captioned leases are located in Loving County, Texas.
4. Matador was previously granted an exception to Statewide Rule 32, for a period not exceeding 180 days, for four of the five captioned leases and associated flare points. One of the captioned dockets, the Dorothy White TB Lease, was authorized through final order expiring on September 30, 2018. Attachment A identifies respective previous flaring authority issued to the captioned leases, their associated administrative authority/final order, assigned flare permit numbers, the approved flare volumes, and the assigned administrative flaring authority expiring dates.
5. A public hearing was held on January 30, 2019 to continue flaring authority for the leases and their associated flare points for a period of two years. Attachment B identifies the caption dockets, lease information, assigned flare permit numbers, the flare volumes and flaring authority sought by Matador.

6. Testimony at the hearing indicate wells associated with the caption dockets, are connected to a sales line. Typically, flaring volumes for each captioned docket is less than one percent of the volume that is produced during the month. The wells only require flaring during periods of routine maintenance, equipment malfunction, upset events and during sales line unavailability.
7. Matador agreed, that, pursuant to these provisions of Texas Government Code §2001.144(a)(4)(A), the Final Order in this case shall be final and effective on the date a Master Order relating to these Final Orders is signed.

CONCLUSIONS OF LAW

1. Resolution of the subject applications 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. The requested authority to flare casinghead gas and 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 the agreement of the applicant, the Final Orders in this case is final and effective when a Master Order relating to the Final Orders is signed.

EXAMINERS' RECOMMENDATION

Based on the above findings of facts and conclusions of law, the Examiners recommend the Commission enter an order granting the exceptions to Statewide Rule 32 for all five of the captioned individual applications submitted by Matador Production Company for all the subject leases, wells and associated flare points in the Phantom (Wolfcamp) Field and Two Georges (Bond Springs) Field. All five captioned leases are located in Loving County, Texas.

Respectfully submitted,



Robert Musick, P.G.
Technical Examiner



Kristi M. Reeve
Administrative Law Judge

ATTACHMENT A – PREVIOUS AUTHORIZED FLARING AUTHORITY

Permit No.	Commingle Permit No.	Flare Point Name	Previous Authority	Previous Permit End Date	Previous Maximum Flare Volume (MCF/Day)	Additional Information
35022	8242	Kerr 83 TB Lease	Admin Auth.	2/05/2019	1,000 MCF/Day	Requesting 3,000 MCF/Day under Docket 08-0316890
35021	8580	Larson 04-TTT-B01 WF TB Lease	Admin Auth.	02/18/2019	2,000 MCF/Day	Requesting 3,000 MCF/Day under Docket 08-0316947
23295	6995	Dorothy White TB Lease	Final Order under 08-0301900	09/30/2018	6,000 MCF/Day	Requesting 6,000 MCF/Day under Docket 08-0315202
34283	8446	Walter Fister 71-TTT-B01 WF TB Lease	Admin Auth.	01/19/2019	1,000 MCF/Day	Requesting 1,000 MCF/Day under Docket 08-0316945
35019	8382	Wolf 80 TTT-B33 WF (South) TB Lease	Admin Auth.	2/21/2019	1,000 MCF/Day	Requesting 3,000 MCF/Day under Docket 08-0316946

Note: MCF/Day = Thousand Cubic Feet Per Day

ATTACHMENT B – PROPOSED FLARE AUTHORITY

Permit No.	Commingled Permit No.	Flare Point Name	Permit Start Date	Permit End Date	Proposed Maximum Flare Volume (MCF/Day)	Comments
35022	8242	Kerr 83 TB Lease	02/06/2019	02/05/2021	3,000 MCF/Day	Docket 08-0316890 Casinghead Gas
35021	8580	Larson 04-TTT-B01 WF TB Lease	02/19/2019	02/18/2021	3,000 MCF/Day	Docket 08-0316947 Casinghead Gas
23295	6995	Dorothy White TB Lease	10/01/2018	09/30/2020	6,000 MCF/Day	Docket 08-0315202 Casinghead and Gas (Gas I.D. No. 210875)
34283	8446	Walter Fister 71-TTT-B01 WF TB Lease	01/20/2019	01/19/2021	1,000 MCF/Day	Docket 08-0316945 Casinghead Gas
35019	8382	Wolf 80 TTT-B33 WF (South) TB Lease	02/22/2019	02/21/2021	3,000 MCF/Day	Docket 08-0316946 Casinghead Gas

Note: MCF/Day = Thousand Cubic Feet Per Day