

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 08-0318990**

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**APPLICATION OF ABRAXAS PETROLEUM CORPORATION (003125) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE CAPRITO 82 (49937) AND CAPRITO 83 (49754) LEASE, PHANTOM (WOLFCAMP) FIELD, WARD COUNTY, TEXAS**

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**FINAL ORDER**

The Railroad Commission of Texas ("Commission") finds that after notice in the above-docketed case was provided to all parties entitled to notice, a hearing was heard on June 26, 2019, by a Commission Technical Examiner and Administrative Law Judge. This proceeding was duly submitted to the Commission at a conference held in its offices in Austin, Texas. After considering this matter, the Commission adopts the following findings of fact and conclusions of law.

**Findings of Fact**

1. Abraxas Petroleum Corporation ("Abraxas" or "Applicant") seeks a two-year exception to Statewide Rule 32 for authority to flare a maximum of 1,350 thousand cubic feet per day ("Mcf") of casinghead gas from Caprito 82 flare point and 750 Mcfd of casinghead gas from Caprito 83 flare point from March 15, 2019, through March 14, 2021, in the Phantom (Wolfcamp) (71052900) Field, Ward County, Texas.
2. Abraxas submitted a request for hearing on the Statewide Rule 32 exception for flaring authority on March 15, 2019.
3. The Commission granted an administrative exception to Statewide Rule 32 to flare a maximum gas volume of 1,054 Mcfd from the Caprito 82 flare point due to intermittent gathering line unavailability. This administrative flaring authority (Permit No. 35416) expired on October 2, 2018.
4. The Commission granted an administrative exception to Statewide Rule 32 to flare a maximum gas volume of 1,875 Mcfd from the Caprito 83 flare point due to intermittent gathering line unavailability. This administrative flaring authority (Permit No. 35415) expired on October 2, 2018.

5. On May 17, 2019, the Hearings Division of the Commission sent a Notice of Hearing to Applicant and all offsetting operators in the field setting a hearing date of June 26, 2019.
6. On June 3, 2019, the Hearings Division of the Commission sent an Amended Notice of Hearing to Applicant and all offsetting operators in the field setting The Service List on the Amended Notice added counsel for the applicant. The Amended Notice met the requirements of 16 Tex. Admin. Code § 3.32(a) and (b). No protests to the application were received. Only Applicant appeared and participated at the June 26, 2019 hearing.
7. Abraxas is requesting authority to flare during the intermittent upset conditions of the gathering system. The gathering system in place cannot accept gas from the subject leases once the pressure exceeds 100 psi.
8. The requested Statewide Rule 32 exception to flare a maximum of 1,350 Mcfd of casinghead gas from the Caprito 82 Lease and 750 Mcfd of casinghead gas from the Caprito 83 Lease is necessary for Abraxas to produce the hydrocarbon liquids from the Leases. The curtailment of gas production by reducing production or shutting in the wells would cause waste.
9. Abraxas agreed that the Final Order in this case is to be final and effective when a Master Order relating to this Final Order is signed.

### **Conclusions of Law**

1. Proper notice was issued to persons entitled to notice. Tex. Gov't Code § 2001.051; 16 Tex. Admin. Code §§ 1.42, 1.45.
2. The Commission has jurisdiction in this case. Tex. Nat. Res. Code § 81.051.
3. Abraxas meets the requirements in Statewide Rule 32 to flare a maximum of 1,350 Mcfd of casinghead gas from the Caprito 82 Lease and 750 Mcfd of casinghead gas from the Caprito 83 Lease and the flaring of such gas is necessary.
4. This Final Order is final and effective on the date a Master Order relating to this Final Order is signed. Tex. Gov't Code § 2001.144(a)(4)(A).

### Ordering Provisions

It is **ORDERED** that Abraxas Petroleum Corporation (003125), be granted a two-year exception to Statewide Rule 32. Its request for authority to flare a maximum of 1,350 Mcfd of casinghead gas from the Caprito 82 Lease and 750 Mcfd of casinghead gas from the Caprito 83 Lease from March 15, 2019 through March 14, 2021, as reflected in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Abraxas shall file the Statewide Rule 32 Exception Data Sheet and, shall file at the same time, the required fee for a Statewide Rule 32 exception for each individual flare point on the Lease. See 16 Tex. Admin. Code § 3.32(h)(1).

Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code and the agreement of the applicant in writing or on the record, **the party has waived the right to file a motion for rehearing and the Final Order in this case is final and effective on the date the Master Order relating to the Final Order is signed.**

**Signed on August 6, 2019**

**RAILROAD COMMISSION OF TEXAS  
(Order approved and signatures  
affixed by Hearings Division's  
Unprotested Master Order dated  
August 6, 2019)**

**ATTACHMENT A – FLARE EXCEPTION AUTHORITY**

<b>Permit No.</b>	<b>Commingle Permit No. (If Applicable)</b>	<b>Lease Name, Individual Flare Stacks</b>	<b>Permit Start Date</b>	<b>Permit End Date</b>	<b>Maximum Flare Volume (Mcf/d &amp; Mcfm)</b>	<b>Casinghead Gas or Gas Well Gas</b>
35416	N/A	Caprito 82	March 15, 2019	March 14, 2021	1,350 Mcfd	Casinghead Gas
35415	N/A	Caprito 83	March 15, 2019	March 14, 2019	750 Mcfd	Casinghead Gas

**Note:** Mcfd = Thousand Cubic Feet Per Day