

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 7C-0316762

APPLICATION OF EP ENERGY E&P COMPANY, L.P. (253385) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR FACILITIES IN THE UNIVERSITY EAST LEASE AND THE UNIVERSITY SOUTH LEASE IN LIN (WOLFCAMP) FIELD, CROCKETT COUNTY, TEXAS

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 February 8, 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. EP Energy E&P Company, L.P. ("EP" or "Applicant") seeks a two-year exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare a maximum of 500 thousand cubic feet per day ("Mcf") of casinghead gas from March 29, 2019, to March 28, 2021, from both the University East 4116AH Facility and the University South 5109AH Facility in the Lin (Wolfcamp) Field, Crockett County, Texas.
2. EP submitted a request for hearing on the Statewide Rule 32 exception flaring authority request on November 29, 2018.
3. EP was previously granted an exception to Statewide Rule 32 by Final Order (Docket No.7C-0303916 and 7C-0304412) to flare a maximum casinghead gas volume of 500 Mcfd from each of the Facilities. Both administrative flaring authorities (Permit No. 23253 and 28157) expired on March 28, 2019.
4. On January 11, 2019 the Hearings Division of the Commission sent a Notice of Hearing ("Notice") to Applicant and all offsetting operators in the field setting a hearing date of February 8, 2019. Consequently, the parties received more than 10 days' notice. The Notice contains (1) a statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted. The hearing was held on February 8, 2019 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. The facilities are currently selling casinghead gas via a gas sales pipeline.
6. EP is requesting flaring authority for compressor downtime and system upsets.
7. Based on a production decline curve, the estimated volume of casinghead gas to be flared would be a maximum of 500 Mcfd from each facility's flare point.
8. The requested Statewide Rule 32 exception to flare a maximum of 500 Mcfd of casinghead gas is necessary for EP to produce the recoverable oil from the leases.
9. At the hearing, EP agreed on the record that the Final Order in this docketed 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. *See, e.g.*, Tex. Gov't Code § 2001.051; 16 Tex. Admin. Code §§ 1.42, 1.45.
2. The Commission has jurisdiction in this case. *See, e.g.*, Tex. Nat. Res. Code § 81.051.
3. Statewide Rule 32 requires gas to be utilized for purposes and uses authorized by law unless authorized. 16 Tex. Admin. Code § 3.32(b).
4. Statewide Rule 32 provides exceptions allowing the flaring of gas if certain requirements are met and the flaring is necessary. *See, e.g.*, 16 Tex. Admin. Code § 3.32(f), (h).
5. EP has met the requirements in Statewide Rule 32 to flare a maximum of 500 Mcfd of casinghead gas from each facility and the flaring of such gas is necessary.
6. 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.

Ordering Provisions

It is **ORDERED** that EP Energy E&P Company, L.P. (253385) is granted a two-year exception to Statewide Rule 32. Its request for authority to flare a maximum of 500 Mcfd, of casinghead gas from the University East 4116AH Facility and the University South 5109AH Facility from March 29, 2019 to March 28, 2021, as reflected in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. EP 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 parties in writing or on the record, **the parties have 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 Aug 6, 2019)**

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Permit No.	Commingled Permit No. (If Applicable)	Lease Name, Individual Flare Stacks	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcf/d & Mcfm)	Casinghead Gas or Gas Well Gas
23253	N/A	University East 4116AH Facility (17576)	March 29, 2019	March 28, 2021	500 Mcfd	Casinghead Gas
28157	N/A	University South 5109AH Facility (18991)	March 29, 2019	March 28, 2021	500 Mcfd	Casinghead Gas

Note: Mcfd = Thousand Cubic Feet Per Day