

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0318476

**APPLICATION OF BTA OIL PRODUCERS, LLC (041867) FOR AN EXCEPTION TO
STATEWIDE RULE 32 FOR VARIOUS WELLS AND FACILITIES, PHANTOM
(WOLFCAMP) FIELD, REEVES 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 May 14, 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. BTA Oil Producers, LLC ("BTA" or "Applicant") seeks a one-year exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare gas well gas and casinghead gas associated with nine separate flare points in the Phantom (Wolfcamp) Field, Reeves County, Texas, as identified in Attachment A. The individual maximum daily flare volume for the nine flare points associated with the docket range from 5,000 to 15,000 thousand cubic feet per day ("Mcf/d"); and the individual monthly maximum flare volumes for each flare point ranges from 10,000 to 50,000 thousand cubic feet per month ("Mcfm"). The daily and monthly flare volumes are established using well production data and flare volume data from wells connected to each of the nine flare points.
2. BTA submitted a request for hearing on the Statewide Rule 32 exception flaring authority on February 20, 2019.
3. BTA was previously granted individual administrative exceptions to Statewide Rule 32 to flare from each of the nine flare points discussed in the hearing.
4. On April 15, 2019 the Hearings Division of the Commission sent a Notice of Hearing ("Notice") to the Applicant and offsetting operators in the field setting a hearing date of May 14, 2019. On May 29, 2019, the Commission sent a second Notice amending the initial requesting authority and providing 10 days notice. Consequently, the parties received more than 10 days' notice to file a protest for the docket.
5. The hearing was held on May 14, 2019, as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

6. All of BTA's wells serviced by the separate flare points are connected to a gas sales line.
7. BTA has experienced routine excessive gas sales back pressure causing produced gas to be diverted to its connected flare stack.
8. Based on the current gas well gas and casinghead gas production volumes, the requested Statewide Rule 32 exceptions are necessary for BTA to produce the recoverable oil and gas from the leases and wells served by the nine separate flare points.
9. At the hearing, BTA 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. 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. BTA has met the requirements in Statewide Rule 32 to flare gas 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 BTA is granted a one-year exception to Statewide Rule 32. Its request for authority to flare gas from nine individual flare stacks in the Phantom (Wolfcamp) Field, Reeves County, Texas, as reflected in attached Attachment A, is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. BTA 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. 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 20, 2019.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotected Master
Order dated August 20, 2019)**

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Flare Permit No.	Commingle Permit No.	Flare Name	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcf/d & Mcfm) ¹	Casinghead/ Gas Well Gas
34041	Not in the Hearing Record	ARPENT 21602 25 #1H, #2H, #3H BATTERY	03/21/2019	03/20/2020	12,000 Mcfd 15,000 Mcfm	GAS WELL GAS
32016	Not in the Hearing Record	BLACKTOP 21601 1 BATTERY	03/21/2019	03/20/2020	6,000 Mcfd 50,000 Mcfm	GAS WELL GAS
32018	Not in the Hearing Record	PIVOT 21602 34 #1H, #2H, #5H BATTERY	03/21/2019	03/20/2020	6,000 Mcfd 10,000 Mcfm	GAS WELL GAS OR CASINGHEAD GAS ²
39259	Not in the Hearing Record	PIVOT 21602 34 #3H, #4H BATTERY	03/21/2019	03/20/2020	6,000 Mcfd 18,000 Mcfm	GAS WELL GAS
32015	Not in the Hearing Record	Riverside 21601 36 #1H, #2H, #3H, #4H, #5H Battery	03/21/2019	03/20/2020	12,000 Mcfd 50,000 Mcfm	GAS WELL GAS
39256	Not in the Hearing Record	Riverside 21601 36 #6H, #7H Battery	03/21/2019	03/20/2020	7,000 Mcfd 50,000 Mcfm	GAS WELL GAS
39258	Not in the Hearing Record	Scramble 21802 Battery	03/21/2019	03/20/2020	15,000 Mcfd 25,000 Mcfd	GAS WELL GAS
32017	Not in the Hearing Record	Tetris 21601 18 #1H, #2H Battery	03/21/2019	03/20/2020	5,000 Mcfd 12,000 Mcfd	GAS WELL GAS
39257	Not in the Hearing Record	Tetris 21601 18 #3H, #R4H Battery	03/21/2019	03/20/2020	5,000 Mcfd 25,000 Mcfd	GAS WELL GAS

¹ Mcfd = Thousand Cubic Feet Per Day. The value in the table is based on exception requested by Applicant.
 Mcfm = Thousand Cubic Feet Per Month. The monthly maximum flare authority is based on Exhibit No. 7 of the Hearing; or a percentage of the average monthly production values connected to the flare point within six months of hearing.

² Pivot 1H at the time of hearing is an oil well, thus production from the well is casinghead gas.