

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0319557

APPLICATION OF ATLANTIC RESOURCES COMPANY, LLC (036555) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE GRICE FIELD FLARE FACILITY, GRICE (DELAWARE) FIELD, LOVING 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 July 11, 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. Atlantic Resources Company, LLC ("Atlantic" or "Applicant") seeks a two-year exception to Statewide Rule 32 ("16 Tex. Admin. Code § 3.32") for authority to flare a maximum of 600 thousand cubic feet per day ("Mcf") of casinghead gas from April 25, 2019, through April 25, 2021, from a single flare point for the Grice Field Flare Facility (Commingling Permit No. 08-8542), in the Grice (Delaware) Field, Loving County, Texas.
2. The Commission previously granted Atlantic an administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume of 460 Mcfd from the Facility. This administrative flaring authority (Permit No. 36431) expired on April 25, 2019.
3. Atlantic submitted a request for hearing on the Statewide Rule 32 exception flaring authority request on April 12, 2019.
4. On May 31, 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 June 11, 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 June 11, 2019 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. Statewide Rule 32 requires gas to be utilized for purposes and uses authorized by law unless otherwise authorized. 16 Tex. Admin. Code § 3.32(b).
6. 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).
7. Atlantic previously had a sales connection to DCP Operating Company, LP (“DCP”) pipeline. On August 18, 2018 DCP notified Atlantic that gathering and processing operations would be ceased due to low volumes.
8. Atlantic is currently building a new 4” tie-in to the Crestwood L.P. 12” pipeline.
9. A gas pipeline to take the leases’ casinghead gas is currently unavailable. A connection to a new pipeline is expected to be completed during the term of the requested flare authority.
10. Based on a production decline curve, the estimated volume of casinghead gas to be flared would be a maximum of 600 Mcfd.
11. The requested Statewide Rule 32 exception to flare a maximum of 600 Mcfd of casinghead gas is necessary for Atlantic to produce the recoverable oil from the leases.
12. Atlantic agreed on the record that the Final Order in this case is to be final and effective on the date 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. Atlantic has met the requirements in Statewide Rule 32 to flare a maximum of 600 Mcfd of casinghead gas and the flaring of such gas is necessary.
4. 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 Atlantic Resources Company, LLC (036555) ("Atlantic") is granted a two-year exception to Statewide Rule 32. Its request for authority to flare a maximum of 600 Mcfd of casinghead gas from the Grice Field Facility from April 25, 2019 through April 25, 2021, as reflected in attached Attachment A is **APPROVED**.

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

RAILROAD COMMISSION OF TEXAS

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

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Permit No.	Commingle Permit No. (If Applicable)	Lease Name, Individual Flare Stacks	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcf/d)	Casinghead Gas or Gas Well Gas
36431	08-8542	Grice Field Flare Facility	April 25, 2019	April 25, 2021	600 Mcfd	Casinghead Gas

Note: Mcfd = Thousand Cubic Feet Per Day