

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 01-0318858

APPLICATION OF EP ENERGY E&P COMPANY, L.P. (253385) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS CENTRAL PRODUCTION FACILITIES, EAGLEVILLE (EAGLE FORD-1) AND HAWKVILLE (EAGLEFORD SHALE) FIELDS, LA SALLE 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 June 25, 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 for four central production facilities ("CPF") in Eagleville (Eagle Ford-1) and Hawkville (Eagleford Shale) Fields, La Salle County, Texas.
2. EP submitted a request for hearing on the Statewide Rule 32 exception for flaring authority on March 7, 2019.
3. On June 3, 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 25, 2019.
4. The Commission granted the prior administrative exceptions to Statewide Rule 32:
 - For Hixon West CPF, Final Order Oil and Gas Docket No. 01-0304397, to flare a maximum of 5,000 thousand cubic feet ("Mcf") of casinghead gas through July 13, 2019.
 - For Maltsberger Southeast CPF, Final Order Oil and Gas Docket No. 01-0304397, a maximum of 5,000 Mcfd of casinghead gas through April 2, 2019.
 - For Pfluger CPF, Final Order Oil and Gas Docket No. 01-0310577, a maximum of 2,100 Mcfd of casinghead gas through May 30, 2020.

- For Vester CPF, Final Order Oil and Gas Docket No. 01-0310577, a maximum of 5,000 Mcfd of casinghead gas through May 30, 2020.
5. In June 27, 2019 letter EP withdrew its application for Vester CPF due to determination that the prior permit already includes the requested flaring authority.
 6. Pfluger CPF has current flaring authority with the expiration date of May 30, 2020. EP is requesting an increase in the maximum daily flaring allowable from 2,100 Mcfd to 5,000 Mcfd with no change to the expiration date. The increase is requested because additional wells have been connected to the flare point since the current flaring authority was granted.
 7. EP is requesting authority to flare due to the pipeline unavailability during the compressor downtime and often intermittent system upsets due to operational issues with the purchaser.
 8. The requested Statewide Rule 32 exception to flare a maximum of 5,000 Mcfd of casinghead gas from each of the three CPF's is necessary for EP to produce the hydrocarbon liquids from the respective leases due to intermittent pipeline unavailability. In addition, the curtailment of gas production by reducing production or shutting in wells would cause waste.
 9. EP 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. EP meets the requirements in Statewide Rule 32 to flare a maximum of 5,000 Mcfd of casinghead gas each from the Hixon West CPF, Maltsberger Southeast CPF, and Pfluger CPF flare points 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 EP Energy E&P Company, L.P. (253385), be granted an exception to Statewide Rule 32 for the for the maximum volumes and time periods reflected in attached Attachment A and the request for flaring be **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 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 September 11, 2019

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Division's Unprotested Master Order dated September 11, 2019)

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Flare Permit No.	Commingle Permit Or Lease No.	Individual Flare Stacks	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcf/d)	Casinghead Gas or Gas Well Gas
27173	5797 15312 18732 18743 18859	Hixon West CPF	July 14, 2019	July 13, 2021	5,000	Casinghead Gas
19655	5867	Maltsberger Southeast CPF	April 3, 2019	April 2, 2021	5,000	Casinghead Gas
33196	5945 19725	Pfluger CPF	June 1, 2018	May 30, 2020	5,000	Casinghead Gas