

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 08-0319819**

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**APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO  
STATEWIDE RULE 32 FOR THE PECOS STATE 39 CFP IN THE PHANTOM  
(WOLFCAMP) FIELD (71052900), LOVING COUNTY, TEXAS**

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**FINAL ORDER**

The Railroad Commission of Texas ("Commission") finds that after a joint notice of hearing in the above-docketed case was provided to all parties entitled to notice, a hearing was held on August 5, 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. WPX Energy Permian, LLC ("WPX") seeks a two-year exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare a maximum of 600 thousand cubic feet per day ("Mcf/d"), limited to 18,600 thousand cubic feet per month ("Mcfm"), of casinghead gas from May 31, 2019, to May 30, 2021, from the central flare stack located at the Pecos State 39 Lease, in the Phantom (Wolfcamp) Field, Loving County, Texas.
2. WPX submitted a request for hearing on the Statewide Rule 32 exception flaring authority on April 25, 2019.
3. WPX was previously granted an administrative exception to Statewide Rule 32 to flare a maximum gas well gas volume of 15,000 Mcfd at the Pecos State 39 Central Flare Point under Flare Permit No. 37171, expiring May 30, 2019.
4. On July 2, 2019 the Hearings Division of the Commission sent a Joint Notice of Hearing ("Notice") to Applicant and all offsetting operators in the field setting a hearing date of August 5, 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 August 5, 2019 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. The gas well gas from the Pecos State 39 Lease is gathered by Stateline Gathering, LLC and purchased by Medallion Delaware Basin, LLC.
6. The gatherer and the purchaser do not always have capacity for one hundred percent (100%) of the gas produced by the Pecos State 39 Lease wells.
7. Through July 2019, the Pecos State 39 Lease wells, have flared:
  - a. 4.1% of total gas production
  - b. 109,000 Mcf of gas
8. Based on a table of historic casinghead gas disposition, the estimated volume of gas to be flared would be a maximum of 600 Mcfd, limited to 18,600 Mcfm.
9. The requested Statewide Rule 32 exception to flare a maximum of 600 Mcfd, limited to 18,600 Mcfm, of gas well gas is necessary for WPX to produce the recoverable hydrocarbon liquids from the Pecos State 39 Lease.
10. At the hearing, WPX 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. WPX has met the requirements in Statewide Rule 32 to flare a maximum of 600 Mcfd, limited to 18,600 Mcfm of 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 WPX Energy Permian, LLC (942623), Inc. is granted a two-year exception to Statewide Rule 32. Its request for authority to flare a maximum of 600 Mcfd, limited to 18,600 Mcfm, of gas from the central flare stack located at the Pecos State 39 Lease, from May 31, 2019 to May 30, 2021, as reflected in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. WPX 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 at the Pecos State 39 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 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**

<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>
37171	08-8515	Pecos State 39 Lease	May 31, 2019	May 30, 2021	600 Mcfd 18,600 Mcfm	Gas Well Gas

**Note:**

**Mcf/d = Thousand Cubic Feet per Day**

**Mcfm = Thousand Cubic Feet Per Month**