

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 01-0316679

APPLICATION OF EP ENERGY E&P COMPANY L.P. (253385) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FACILITIES, EAGLEVILLE (EAGLE FORD-1) FIELD (27135700), 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 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 16 Tex. Admin. Code § 3.32 for authority to flare various amounts of casinghead gas (seen on Attachment A) from various commingled leases, in the Eagleville (Eagle Ford-1) Field, in La Salle 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 administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume of 5000 Mcfd from the subject leases.
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 subject facilities are currently selling casinghead gas and gas well gas via a gas sales pipeline.
6. EP is requesting flaring authority for compressor downtime and system upsets.

7. The requested Statewide Rule 32 exception to flare various volumes of casinghead gas (depicted on Attachment A) is necessary for EP to produce the recoverable oil from the subject leases.
8. 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 5000 Mcfd of casinghead 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 EP Energy E&P Company, L.P. (253385), Inc. is granted a two-year exception to Statewide Rule 32. Its request for authority to flare various daily maximum volumes of casinghead gas and gas well gas from the subject leases, as identified 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 October 1, 2019

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by
Hearings Division's Unprotected Master
Order dated October 1, 2019)

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Permit No.	Commingle Permit No.	Flare Point Name	Permit Start Date	Permit End Date	Proposed Maximum Flare Volume (MCF/Day)	Comments
18331	5547	Brown CPF	1/6/2019	1/5/2021	5,000	Casinghead Gas
18551	5552	Cotulla Ranch CPF	2/7/2019	2/6/2021	300	Casinghead Gas
19045	5553	Hixon North CPF	2/15/2019	2/14/2021	2,500	Casinghead Gas
19813	5550	Hixon Northeast CPF	2/15/2019	2/14/2021	2,500	Casinghead Gas
18857	5554	Hixon Northwest CPF	3/14/2019	3/13/2021	5,000	Casinghead Gas
33185	5501	Lazy Seven Ranch CPF	6/01/2018	5/30/2020	2,000	Casinghead Gas
18777	NA; (Lease ID Nos. 17325, 16852)	Maltsberger Northcut Facility	1/21/2019	1/20/2021	500	Casinghead Gas
18087	5867	Maltsberger Southwest CPF	1/11/2019	1/10/2021	5,000	Casinghead Gas
33198	NA; (Lease ID Nos: 15989, 262592, 841065, 19662, 19685)	Mumme Ranch 20 CPF	6/1/2018	5/30/2020	5,000	Casinghead Gas and Gas
18780	5815	Storey-Altito Northeast CPF	1/21/2019	1/20/2021	5,000	Casinghead Gas
18553	5795	Storey-Altito Southeast CPF	2/5/2019	2/4/2021	5,000	Casinghead Gas
18541	5939	Storey-Reed West CPF	1/24/2019	1/23/2021	2,500	Casinghead Gas

Note: Mcfd = Thousand Cubic Feet Per Day