

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 01-0320048**

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**APPLICATION OF MURPHY EXPLORATION & PRODUCTION COMPANY – USA  
(594675) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE TYLER LEASE,  
EAGLEVILLE (EAGLE FORD-1) FIELD, MCMULLEN COUNTY, TEXAS**

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**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 August 29, 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. Murphy Exploration and Production Company - USA (“Murphy” or “Applicant”) seeks a 99-day exception to Statewide Rule 32 (“Statewide Rule 32”) for authority to flare a maximum of 140 thousand cubic feet per day (“Mcf”) of casinghead gas from April 2, 2019, to July 9, 2019, from a single flare point for the Tyler (15506) Lease (“Lease”), in the Eagleville (Eagle Ford-1) Field, McMullen County, Texas.
2. Murphy submitted a request for hearing on the Statewide Rule 32 exception flaring authority request on March 14, 2019.
3. Murphy was previously granted an administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume of 100 to 212 Mcfd from the Lease. This administrative flaring authority (Permit No. 35487) expired on April 1, 2019.
4. On August 5, 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 August 29, 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 29, 2019 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.
5. The request to flare is based on high hydrogen sulfide concentrations (3000 ppm), which vary unpredictably due to liquid loading and slugging production profiles.

6. As reservoir pressure has dropped and production has stabilized, hydrogen sulfide production has dropped in concentration to the point that treatment has become available. Gas sales have begun at the expiration of this Final Order.
7. Based on a historical flaring data, the volume of casinghead gas to be flared would be a maximum of 140 Mcfd.
8. The requested Statewide Rule 32 exception to flare a maximum of 140 Mcfd of casinghead gas is necessary for Murphy to produce the recoverable oil from the Lease.
9. At the hearing, Murphy 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. Murphy has met the requirements in Statewide Rule 32 to flare a maximum of 140 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 Murphy Exploration and Production Company - USA ("Murphy") is granted a 99-day exception to Statewide Rule 32. Its request for authority to flare a maximum of 140 Mcfd, of casinghead gas from the Tyler Lease from April 2, 2019 to July 9, 2019, as reflected in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Murphy 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 Unprotested Master  
Order dated October 1, 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)</b>	<b>Casinghead Gas or Gas Well Gas</b>
35487	N/A	Tyler 9H	April 2, 2019	July 9, 2019	140 Mcfd	Casinghead Gas

**Note:** Mcfd = Thousand Cubic Feet Per Day