RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0317439

APPLICATION OF CONOCOPHILLIPS COMPANY (172232) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS WELLS IN THE MOCKINGBIRD CENTRAL FACILITY, FORD WEST (WOLFCAMP) FIELD, CULBERSON 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 April 22, 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. ConocoPhillips Company ("Conoco" or "Applicant") seeks a two-year exception to 16 Tex. Admin. Code § 3.32 ("Statewide Rule 32") for authority to flare a maximum of 2000 thousand cubic feet per day ("Mcfd") of casinghead gas and gas well gas from various wells from February 2, 2019, to February 2, 2021, from a single flare point for the Mockingbird Central Facility ("Facility"), in the Ford West (Wolfcamp) Field, Culberson County, Texas.
- 2. Conoco submitted a request for hearing on the Statewide Rule 32 exception flaring authority request on January 10, 2019.
- 3. Conoco was previously granted an administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume of 2000 Mcfd from the Facility. This administrative flaring authority (Permit No. 35624) expired on February 1, 2019.
- 4. On March 20, 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 April 22, 2019. On March 29, 2019 an amended Notice of Hearing was sent correcting language in Appendix A. 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 April 22, 2019 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

- 5. The casinghead and gas well gas from the Mockingbird Central Facility is gathered and sold via pipeline.
- 6. Flaring of casinghead gas and gas well gas at the Facility is necessary due to compressor down time and routine maintenance.
- 7. Based on a production decline curve, the estimated volume of casinghead gas and gas well gas to be flared would be a maximum of 2000 Mcfd.
- 8. The requested Statewide Rule 32 exception to flare a maximum of 2000 Mcfd of casinghead gas and gas well gas is necessary for Conoco to produce the recoverable oil from the leases.
- 9. At the hearing, Conoco 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. Conoco has met the requirements in Statewide Rule 32 to flare a maximum of 2000 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.

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Ordering Provisions

It is **ORDERED** that ConocoPhillips Company (172232) is granted a two-year exception to Statewide Rule 32. Its request for authority to flare a maximum of 2000 Mcfd, of casinghead gas and gas well gas from the Facility from February 2, 2019 to February 2, 2021, as reflected in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Conoco 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, <u>the parties have waived the right</u> 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) Oil & Gas Docket No. 08-0317439 Final Order Page 4 of 4

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 (Mcfd)	Casinghead Gas or Gas Well Gas
35624	8185	Mockingbird Central Facility	February 2, 2019	February 2, 2021	2000 Mcfd	Casinghead Gas and Gas Well Gas

Note: Mcfd = Thousand Cubic Feet Per Day