

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0320699

**APPLICATION OF ENDEAVOR ENERGY RESOURCES L.P. (251726) FOR AN
EXCEPTION TO STATEWIDE RULE 32 FOR THE RIO SAN MARCOS 36-45 WEST
UNIT 1 LEASE, SPRABERRY (TREND AREA) FIELD, MIDLAND 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 August 21, 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. Endeavor Energy Resources L.P. ("EER" or "Applicant") seeks a 186-day exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare a maximum of 3,100 thousand cubic feet per day ("Mcf/d") of casinghead gas, limited to 19,500 thousand cubic feet per month ("Mcfm") from June 29, 2019 to December 31, 2019, from a flare point for the Rio San Marcos 36-45 West Unit 1 Lease, ("Lease"), Spraberry (Trend Area) Field, Midland County, Texas.
2. EER submitted a request for hearing for the Statewide Rule 32 exception on June 6, 2019.
3. EER was previously granted an administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume of 2,890 Mcfd from the Lease for a 180-day period. This administrative flaring authority (Permit No. 39626) expired on June 28, 2019.
4. On July 22, 2019 the Hearings Division of the Commission sent a Notice of Hearing ("Notice") to the Applicant and offsetting operators in the field setting a hearing date of August 21, 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 21, 2019, as noticed. Applicant appeared and participated at the hearing. No protest was received.

5. Casinghead gas from the wells is gathered by Navitas Midstream Partners LLC. In December 2018, the sales line service was interrupted because of a fire and then the gas was curtailed because of elevated concentrations of hydrogen sulfide ("H₂S") and high pipeline pressures. Repairs and curtailment are scheduled to be resolved by November 2019, with gas sales being stabilized by the end of December 2019.
6. After June 1, 2019, flared gas volumes have averaged 543 mcf/d, which is 8.7 percent of produced gas volumes. The maximum volumes of flared gas were 3,069.5 mcf/d.
7. Based on production rates, the estimated volume of casinghead gas to be flared would be a maximum of approximately 3,100 Mcf/d, limited to 19,500 Mcfm from June 29, 2019 to December 31, 2019.
8. The requested Statewide Rule 32 exception to flare casinghead gas is necessary for EER because of the unavailability of the pipeline until repairs are performed.
9. At the hearing, EER 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. EER has met the requirements in Statewide Rule 32 to flare a maximum of 3,100 Mcf/d, limited to 19,500 Mcfm from June 29, 2019 to December 31, 2019.
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 Endeavor Energy Resources L.P. (251726) is granted a 186-day exception to Statewide Rule 32. EER's request for authority to flare a maximum of 3,100 Mcfd of casinghead gas, limited to 19,500 Mcfm from June 29, 2019 to December 31, 2019 from the Lease from June 29, 2019 to December 31, 2019, as reflected in Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. EER 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 22, 2019

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotected Master
Order dated October 22, 2019)**

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Permit No.	Commingle Permit No. or Lease No. (If Applicable)	Lease Name, Individual Flare Stacks	Permit Start Date (1)	Permit End Date	Maximum Flare Volumes		Casinghead Gas or Gas Well Gas
					Mcfd	Mcfm	
39626	48945	Rio San Marcos 36-45 West Unit 1	6/29/2019	12/31/2019	3,100 Mcfd	19,500 Mcfm	Casinghead Gas

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

Mcfm = Thousand Cubic Feet Per Month