

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0320700

**APPLICATION OF ENDEAVOR ENERGY RESOURCES L.P. (251726) FOR AN
EXCEPTION TO STATEWIDE RULE 32 FOR BRAUN B12 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 13, 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 two-year exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare a maximum of 100 thousand cubic feet per day ("Mcf") of casinghead gas from July 1, 2019 to June 30, 2021, from a flare point for the Braun B12 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 165 Mcfd from the Lease for a 180-day period. This administrative flaring authority (Permit No. 39625) expired on June 30, 2019.
4. On July 12, 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 13, 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 13, 2019, as noticed. Applicant appeared and participated at the hearing. No protest was received.

5. A gas pipeline to take the Lease casinghead gas is unavailable. The nearest sales connection to the well is approximately 3,500 feet from the Lease.
6. EER conducted an economic analysis and production forecast for a proposed pipeline route from the Lease to its nearest sales connection. The cost estimate to connect to the sales line is \$104,386, which exceeds the gas revenue from the Lease's remaining reserves, making it uneconomical to construct a pipeline from the Lease to the sales connection.
7. Based on production rates, the estimated volume of casinghead gas to be flared would be a maximum of 100 Mcfd.
8. The requested Statewide Rule 32 exception to flare a maximum of 100 Mcfd of casinghead gas is necessary for EER to produce the recoverable oil from the Lease.
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 100 Mcfd of casinghead gas and the flaring of such gas is necessary due to the unavailability of a pipeline connection.
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 two-year exception to Statewide Rule 32. EER's request for authority to flare a maximum of 100 Mcfd of casinghead gas from the Lease from July 1, 2019 to June 30, 2021, 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 Unprotested 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 Volume (Mcf/d)	Casinghead Gas or Gas Well Gas
39625	CP # 08-5987	Braun B 12	7/01/2019	6/30/2021	100 Mcfd	Casinghead Gas

Note: Mcfd = Thousand Cubic Feet Per Day

Wells associated with the Lease: Braun B #1201, Braun B #1202, Braun B #1203, Braun B #1204, Braun B #1205, Braun B #1206, Braun B #1207, Braun B #1208, TPLT G #701, TPLT G #702, TPLT G #703, and TPLT G #70).