

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0319234

APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE NORTH RUDD DRAW 22 (284907), WELL NO. 1H, AND CBR 9 COMMINGLE FLARE POINT (08-8434), PHANTOM (WOLFCAMP) FIELD, LOVING 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 held on July 30, 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. WPX Energy Permian, LLC ("WPX" or "Applicant") seeks two-year exceptions to Statewide Rule 32 ("Statewide Rule 32") for authority to flare from two (2) flare points in the Phantom (Wolfcamp) Field, Loving County, Texas as identified in Attachment A, attached to this order.
2. WPX submitted a request for hearing on the Statewide Rule 32 exception flaring authority on March 27, 2019.
3. WPX was previously granted the following administrative exceptions to Statewide Rule 32 to flare:
 - a. a maximum casinghead gas volume of 2,000 Mcfd from the North Rudd Draw 22 (284907) Lease ("North Rudd Draw Lease") under Flare Permit No. 36357 from September 11, 2018 to December 10, 2018 and from January 4, 2019 to May 2, 2019; and
 - b. a maximum gas well gas volume of 2,900 Mcfd from the CBR 9 Commingle Flare Point (08-8434) ("CBR Flare Point") under Flare Permit No. 36358 from September 26, 2018 to December 25, 2019; and a maximum gas well gas volume of 700 Mcfd from the CBR Flare Point from December 25, 2019 to April 2, 2019.
4. On July 1, 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 July 30, 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 July 30, 2019, as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. Four (4) wells utilize the CBR 9 Commingle Flare Point: CBR 9-4C Well No. 3H, the CBR 9-4D Well No. 4H, CBR 9-4E Well No. 5H, and CBR 9-4F Well No. 6H.
6. The North Rudd Draw Lease is connected to a pipeline, and casinghead gas is gathered and purchased by Targa Delaware LLC.
7. Gas well gas from the CBR 9 Commingle Flare Point is connected to a pipeline and gathered by Stateline Gathering, LLC and can be purchased by four (4) different companies.
8. Flaring from the North Rudd Draw 22 Lease and CBR 9 Commingle Flare Point is limited to high line pressure situations. The gatherers from both flare points do not always have capacity for 100 percent of the gas.
9. Based on a table and chart of production data, the estimated volume of casinghead gas to be flared from the North Rudd Draw Lease would be a maximum of 100 Mcfd and the estimated volume of gas well gas to be flared from the CBR 9 Commingle Flare Point would be a maximum of 700 Mcfd during high line pressure situations.
10. The requested Statewide Rule 32 exception to flare a maximum of 100 Mcfd, limited to 3,100 Mcfm, of casinghead gas from the North Rudd Draw Lease and a maximum of 700 Mcfm, limited to 21,700 Mcfm, of gas well gas from the CBR Flare Point is necessary for WPX to produce the recoverable hydrocarbons during high line pressure situations.
11. At the hearing, WPX 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. WPX has met the requirements in Statewide Rule 32 to flare gas from the two (2) flare points as identified in Attachment A 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 WPX Energy Permian, LLC (942623), is granted a two-year exception to Statewide Rule 32. Its request for authority to flare from the two (2) flare points as identified in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. WPX 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 two (2) flare points as identified in Attachment A. 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. (If Applicable)	Lease Name, Individual Flare Stacks	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcf/d & Mcf/m)	Casinghead Gas or Gas Well Gas
36357	N/A	North Rudd Draw 22, Well No. 1	May 3, 2019	May 2, 2021	100 Mcfd 3,100 Mcfm	Casinghead Gas
36358	08-8434	CBR 9 Central Flare Point	April 3, 2019	April 2, 2021	700 Mcfd 21,700 Mcfm	Gas Well Gas

Note:
Mcf/d = Thousand Cubic Feet Per Day
Mcf/m = Thousand Cubic Feet Per Month