

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0319432

APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE COVINGTON 46 LEASE, WELL NOS. 7H AND 8H, COMMINGLE FLARE POINT (08-8161), PHANTOM (WOLFCAMP) FIELD, REEVES 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 a two-year exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare from the Covington 46 Lease ("Lease"), Well Nos. 7H and 8H, Commingle Flare Point (08-8161), in the Phantom (Wolfcamp) Field, Reeves 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 April 5, 2019.
3. WPX was previously granted an administrative exception to Statewide Rule 32 under Flare Permit No. 34914 to flare the following gas well gas volumes from the Lease:
 - a. 1,300 Mcfd from June 2, 2018 to June 12, 2018;
 - b. 950 Mcfd from July 11, 2018 to October 9, 2018;
 - c. 300 Mcfd from October 2, 2018 to December 1, 2018; and
 - d. 100 Mcfd from February 27, 2019 to May 15, 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. The Lease is connected to a pipeline, and the gas well gas is gathered by Stateline Gathering, LLC.
6. Flaring from the Lease is limited to high line pressure situations. The gatherer does not always have capacity for 100 percent of the gas.
7. Based on a table and chart of Lease production data, the estimated volume of gas well gas to be flared would be a maximum of 150 Mcfd during high line pressure situations.
8. The requested Statewide Rule 32 exception to flare a maximum of 150 Mcfd, limited to 4,650 Mcfm, of gas well gas from the Lease is necessary for WPX to produce recoverable hydrocarbons during high line pressure situations.
9. 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 flare point 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 flare point 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 flare point 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
34914	08-8161	Covington 46 Well Nos. 7H and 8H Central Flare Point	May 16, 2019	May 15, 2021	150 Mcfd 4,650 Mcfm	Gas Well Gas

Note:

Mcf/d = Thousand Cubic Feet Per Day

Mcf/m = Thousand Cubic Feet Per Month