

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 08-0320007**

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**APPLICATION OF RING ENERGY, INC. (712382) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE SOUTH RILEY COMPRESSOR SITE, BLOCK A34 (SAN ANDRES) FIELD, GAINES AND ANDREWS COUNTIES, TEXAS**

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**OIL AND GAS DOCKET NO. 08-0321810**

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**APPLICATION OF RING ENERGY, INC. (712382) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE COMPRESSOR SITE R38, GERALDINE (DELAWARE 3400), GERALDINE (DELAWARE 4000), GERALDINE (FORD), MATTHEWS (BRUSHY CANYON), AND MATTHEWS (CANYON CONS.) FIELD, CULBERSON COUNTY, TEXAS**

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**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 August 26, 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. Ring Energy, Inc. ("Ring" or "Applicant") seeks a two-year exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare:
  - a. a maximum of 3,000 thousand cubic feet per day ("Mcf") of casinghead gas from May 3, 2019 to May 2, 2021, from the flare point located at the South Riley Compressor Site, in the Block A34 (San Andres) Field in Gaines and Andrews Counties, Texas; and
  - b. a maximum of 4,500 Mcfd of casinghead gas from May 3, 2019 to May 2, 2021, from the flare point located on the Compressor Site R38, in the Geraldine (Delaware 3400), Geraldine (Delaware 4000), Geraldine (Ford), Matthews (Brushy Canyon), and Matthews (Canyon Cons.) Fields in Culberson County, Texas, as identified in Attachment A, attached to this order.
  
2. Ring submitted a request for hearing on the Statewide Rule 32 exception flaring authority on May 1, 2019.

3. Ring was previously granted an administrative exception to Statewide Rule 32 under Flare Permit No. 37201 to flare a maximum of 3,000 Mcfd of casinghead gas from the South Riley Compressor Site, expiring May 2, 2019; and an administrative exception to Statewide Rule 32 under Flare Permit No. 37202 to flare a maximum of 4,500 Mcfd of casinghead gas from the Compressor Site R38, expiring May 2, 2019,
4. On July 24, 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 August 26, 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 26, 2019, as noticed. Applicant appeared via video conference and participated at the hearing. No one appeared in protest.
5. The South Riley Compressor Site is connected to a pipeline, and the casinghead gas is gathered and purchased by DCP Operating Company, LP ("DCP").
6. The Compressor Site R38 is connected to a pipeline, and the casinghead gas is gathered and purchased by Delaware Basin Midstream, LLC ("Delaware").
7. Plant upsets and intermittent operational issues result in the DCP and Delaware gathering systems being unable to accept 100 percent of the gas from the South Riley Compressor Site and the Compressor Site R38.
8. Based on production and gas flare data, the estimated volume of casinghead gas to be flared would be a maximum of 3,000 Mcfd from the South Riley Compressor Site and a maximum of 4,500 Mcfd from the Compressor Site R38.
9. The requested Statewide Rule 32 exception to flare a maximum of 3,000 Mcfd of casinghead gas from the South Riley Compressor Site and 4,500 Mcfd of casinghead gas from the Compressor Site 38 is necessary for Ring to produce recoverable hydrocarbons liquids.
10. At the hearing, Ring 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. 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. Ring has met the requirements in Statewide Rule 32 to flare gas from the 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 Ring Energy, Inc. (712382) is granted a two-year exception to Statewide Rule 32. Its request for authority to flare from the South Riley Compressor Site and Compressor Site R38 flare points as identified in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Ring 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 at the South Riley Compressor Site and the Compressor Site R38 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 November 19, 2019.**

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Division's Unprotested Master  
Order dated November 19, 2019)**

**ATTACHMENT A – FLARE EXCEPTION AUTHORITY**

<b>Permit No.</b>	<b>Commingled Permit No. (If Applicable)</b>	<b>Lease Name, Individual Flare Stacks</b>	<b>Permit Start Date</b>	<b>Permit End Date</b>	<b>Maximum Flare Volume (Mcf/d &amp; Mcf/m)</b>	<b>Casinghead Gas or Gas Well Gas</b>
37201	N/A	South Riley Compressor Site	May 3, 2019	May 2, 2021	3,000 Mcfd	Casinghead Gas
37202	N/A	Ring Compressor Site R38	May 3, 2019	May 2, 2021	4,500 Mcfd	Casinghead Gas

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