

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0322054

APPLICATION OF MATADOR PRODUCTION COMPANY (532993) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FACILITIES, PHANTOM (WOLFCAMP) AND TWO GEORGES (BONE SPRINGS) FIELDS, 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 heard on October 16, 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. Matador Production Company ("Matador" or "Applicant") seeks a two-year exception to Statewide Rule 32 for the flaring points related to the Arno TB Facility, Johnson 44 TB Facility, Barnett TB Facility, and Billy Burt TB Facility, in the Phantom (Wolfcamp) and Two Georges (Bone Springs) Fields, Loving County, Texas.
2. Matador submitted a request for hearing on the Statewide Rule 32 exception for flaring authority on July 25, 2019.
3. On September 26, 2019, the Hearings Division of the Commission sent a Notice of Hearing to Applicant and all offsetting operators in the field setting a hearing date of October 16, 2019.
4. The Commission granted prior administrative exceptions to Statewide Rule 32 at rates and time periods listed below:

Previous Flare Exception Permit No.	Commingle Permit No. (if applicable)	Flare Point Name	Previous Exception Authority Type (Admin/Final Order No.)	Previous Permit End Date	Previous Maximum Flare Volume (Mcf/d)	Casinghead Gas or Gas Well Gas
26986	08-7864	Arno TB Facility Flare Point	Final Order No. 08-0312059	Nov 30, 2019	800 Mcfd	Casinghead Gas
25725	08-7693	Johnson 44 TB Facility Flare Point	Final Order No. 08-0312058	Nov 30, 2019	200 Mcfd	Casinghead Gas
27667	08-7548	Barnett TB Facility Flare Point	08-0312060	Nov 30, 2019	1,200 Mcfd	Casinghead Gas
26987	08-7697	Billy Burt TB Facility Flare Point	Final Order No. 08-0312057	Nov 30, 2019	200 Mcfd	Casinghead Gas

5. Matador is requesting authority to flare 3,500 thousand cubic feet per day ("MCFD") or 8,000 thousand cubic feet per month ("MCFM") from the Arno TB Facility flare point.
6. Matador is requesting authority to flare 1,000 thousand cubic feet per day or 3,000 thousand cubic feet per month from the Johnson 44 TB Facility Flare Point.
7. Matador is requesting authority to flare 3,500 thousand cubic feet per day or 13,000 thousand cubic feet per month from the Barnett TB Facility Flare Point.
8. Matador is requesting authority to flare 1,000 thousand cubic feet per day or 4,000 thousand cubic feet per month from the Billy Burt TB Facility Flare Point.
9. The requested Statewide Rule 32 exception for the flare points listed in the Attachment A is necessary for Matador to produce the hydrocarbon liquids from the wells under Commingling Permit Nos. 08-7864, 08-7693, 08-7548, and 08-7697 due to the inability to put gas in the pipeline during compressor downtime. In

addition, the curtailment of gas production by reducing production or shutting in wells would cause waste.

10. Matador agreed that the Final Order in this 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. Tex. Gov't Code § 2001.051; 16 Tex. Admin. Code §§ 1.42, 1.45.
2. The Commission has jurisdiction in this case. Tex. Nat. Res. Code § 81.051.
3. Matador meets the requirements in Statewide Rule 32 to flare of casinghead gas from flaring points, rates, and time periods listed in the Attachment A, and the flaring of such gas is necessary.
4. This Final Order is final and effective on the date a Master Order relating to this Final Order is signed. Tex. Gov't Code § 2001.144(a)(4)(A).

Ordering Provisions

It is **ORDERED** that Matador Production Company (532993), be granted an exception to Statewide Rule 32 for the for the maximum volumes and time periods reflected in attached Attachment A and the request for flaring be **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Matador 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 leases. 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 applicant in writing or on the record, **the party has 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 Unprotected Master Order dated November 19, 2019)

ATTACHMENT A – PROPOSED FLARE EXCEPTION AUTHORITY(IES)

Permit No.	Commingled Permit No. (if applicable)	Lease Name, Individual Flare Stacks	Permit Start Date	Permit End Date	Maximum Flare volume (Mcf & Mcfm)	Casinghead Gas or Gas Well Gas
26986	08-7864	Arno TB Facility Flare Point	11/30/2019	11/30/2021	3,500 Mcfd, 8,000 Mcfm	Casinghead Gas
25725	08-7693	Johnson 44 TB Facility Flare Point	11/30/2019	11/30/2021	1,000 mcf 3,000 mcfm	Casinghead Gas
26989	08-7548	Barnett TB Facility Flare Point	11/30/2019	11/30/2021	3,500 Mcfd, 13,000 Mcfm	Casinghead Gas
26987	08-7697	Billy Burt TB Facility Flare Point	11/30/2019	11/30/2021	1,000 Mcfd, 4,000 Mcfm	Casinghead Gas