

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 08-0318735**

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**APPLICATION OF XTO ENERGY INC. (945936) FOR AN EXCEPTION TO  
STATEWIDE RULE 32 FOR THE BROWN-ALTMAN -B- TB 2, VARIOUS FIELDS,  
WINKLER 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 heard on June 19, 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. XTO Energy Inc. ("XTO" or "Applicant") seeks an exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare a maximum of 1,800 thousand cubic feet per day ("Mcf"), multiplied by the calendar days of a particular month of casinghead gas from July 31, 2019, to July 30, 2021, from a single flare point. The flare point is located at the Brown-Altman -B- Tank Battery 2 ("Brown-Altman -B- TB 2"), Spraberry (Trend Area), Winkler County, Texas.
2. XTO submitted a request for hearing on the Statewide Rule 32 exception flaring authority request on March 8, 2019.
3. XTO was previously granted an administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume of 500 Mcfd from the Brown-Altman -B- TB 2. This administrative flaring authority (Exception No. 29901) expired on July 30, 2017. Flaring authority was then granted by final order 08-0305441 expiring July 30, 2019.
4. On May 10, 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 June 19, 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 June 19, 2019, as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. At present, the gas produced from the leases is gathered and sold to Enterprise Products Operating LLC (“Enterprise”) and Energy Transfer Company (“ETC”).
6. System upsets due to maintenance, equipment failures, high line pressure and temporary outages prevent gas from being sold, resulting in excess gas that must be flared.
7. During events of periodic and partial curtailment on the Enterprise and ETC systems, the curtailed volumes of produced casinghead gas from the six XTO leases are diverted to the Brown-Altman -B- TB 2 flare point for combustion disposal.
8. Since August 2017, the maximum reported monthly volume of casinghead gas flared is 11,083 Mcf.
9. The estimated volume of casinghead gas to be flared would be a maximum of 1,800 Mcfd, limited to 11,500 Mcfm during periods of high line pressure and temporary system upsets.
10. Based on the evidence admitted into the record, the Examiners recommended reducing the monthly volumes requested by Applicant to 11,500 Mcfm on the Brown-Altman -B- TB 2. Applicant considered the Examiner’s recommendation as not adverse.
11. The requested Statewide Rule 32 exceptions to flare a maximum of 1,800 Mcfd. limited to 11,500 Mcfm of casinghead gas is necessary for XTO to produce the recoverable oil during periods of high line pressure and temporary system upsets.
12. At the hearing, XTO 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 excepted 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. XTO has met the requirements in Statewide Rule 32 to flare a maximum of 1,800 Mcfd, limited to 11,500 Mcfm, of casinghead gas from the Brown-Altman -B- TB 2 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 XTO Energy Inc. (945936) (“XTO”) is **GRANTED** a two-year exception to Statewide Rule 32. Its request for authority to flare a maximum of 1,800 thousand cubic feet per day (“Mcf/d”), limited to 11,500 thousand cubic feet per month (“Mcfm”), of casinghead gas from the Brown-Altman -B- TB 2, from July 31, 2019, to July 30, 2021, as reflected in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. XTO 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 February 11, 2020**

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Division’s Unprotested Master  
Order dated February 11, 2020)**

**ATTACHMENT A – FLARE EXCEPTION AUTHORITY**

<b>Exception No.</b>	<b>Commingle Permit No. (If Applicable)</b>	<b>Lease Name, Individual Flare Stacks</b>	<b>Exception Start Date</b>	<b>Exception End Date</b>	<b>Maximum Flare Volume (Mcf d &amp; Mcfm)</b>	<b>Casinghead Gas or Gas Well Gas</b>
29901	4160	Brown-Altman -B-TB 2	July 31, 2019	July 30, 2021	1,800 Mcfd 11,500 Mcfm	Casinghead Gas

**Note:** Mcfd = Thousand Cubic Feet Per Day  
Mcfm = Thousand Cubic Feet Per Month