

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 8A-0321778**

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**APPLICATION OF SURGE OPERATING, LLC (760725) FOR AN EXCEPTION TO  
STATEWIDE RULE 32 FOR THE THUNDERBIRD UNIT 07-10 1AH BATTERY,  
SPRABERRY (TREND AREA) FIELD, BORDEN 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 October 23, 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. Surge Operating, LLC ("Surge" or "Applicant") seeks a two-year exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare a maximum of 350 thousand cubic feet per day ("Mcf/d"), limited to 10,675 thousand cubic feet per month ("Mcfm"), of casinghead gas from the Thunderbird Unit 07-10 1AH Battery ("Battery"), in the Spraberry (Trend Area) Field, in Borden County, Texas as identified in Attachment A, attached to this order.
2. Surge submitted a request for hearing on the Statewide Rule 32 exception flaring authority on July 16, 2019.
3. Surge was previously granted an administrative exception to Statewide Rule 32 under Flare Permit No. 38400 to flare 95 Mcfd increasing to 321 Mcfd of casinghead gas from the Battery; expiring August 26, 2019.
4. On October 4, 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 October 23, 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 October 23, 2019, as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. Well No. 1AH on the Thunderbird Unit 07-10 Lease is the only well utilizing the flare stack at the Battery.
6. The Battery was connected to a Targa Midland LLC pipeline in October 2019 to gather casinghead gas.
7. As of the date of the hearing, none of the casinghead gas produced from the Thunderbird Unit 07-10 Lease has been sold due to excessive line pressure situations, compressors issues, and installation and maintenance issues with the new pipeline.
8. Surge plans to sell casinghead gas after the issues with the gathering system have been resolved.
9. Based on a table of production data, the estimated volume of casinghead gas to be flared would be a maximum of 350 Mcfd during high line pressure situations, compressors issues, and installation and maintenance issues with the new pipeline.
10. The requested Statewide Rule 32 exception to flare a maximum of 350 Mcfd, limited to 10,675 Mcfm, of casinghead gas from the Battery is necessary for Surge to produce recoverable hydrocarbons during compressors issues, and installation and maintenance issues with the new pipeline.
11. At the hearing, Surge 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. Surge 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 Surge Operating, LLC (760725) is granted a two-year exception to Statewide Rule 32. Its request for authority to flare from casinghead gas from the Thunderbird Unit 07-10 1AH Battery ("Battery"), in the Spraberry (Trend Area) Field, in Borden County, Texas as identified in attached Attachment A, is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Surge 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 Thunderbird Unit 07-10 1AH Battery 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 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 Casinghead Gas</b>
38400	n/a	Thunderbird Unit 07-10 1AH Battery	August 27, 2019	August 26, 2021	350 Mcfd 10,675 Mcfm	Casinghead Gas

**Note:**

**Mcf/d = Thousand Cubic Feet Per Day**

**Mcfm = Thousand Cubic Feet Per Month**