

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. OG-19-00001340

APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE 40 CBR 22-27 CFP, SANDBAR (BONE SPRINGS) FIELD, LOVING COUNTY, TEXAS, DISTRICT 08

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 December 3, 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 for the flaring point related to Commingling Permit No. 08-9028, in Sandbar (Bone Spring) Field, Loving County, Texas.
2. WPX is requesting authority to flare 1,200 thousand cubic feet per day ("MCFD") or 8,400 thousand cubic feet per month ("MCFM"). The requested daily limit is based on the highest daily flare volume in the past 180 days. The monthly flaring limit is based on 7 days of the maximum allowed daily flaring volume.
3. WPX submitted a request for hearing on the Statewide Rule 32 exception for flaring authority on October 7, 2019.
4. On October 30, 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 December 3, 2019.
5. The Commingling Permit 08-9028 consists of Gas Lease Nos. 08-285383, 08-285385, and 08-285809, Well Nos. 1H, 2H and 3H respectively, in the Sandbar (Bone Spring) Field.
6. 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 Exception End Date	Previous Maximum Flare Volume (Mcf)	Casinghead Gas or Gas Well Gas
41200	08-9028	CBR 22-27 CFP	Admin.	Nov. 29, 2019	750 Mcfd	Gas Well Gas

7. During the previous administrative exception authority the wells have flared 1.4% of total gas production or 0.5% Mcf equivalent of total production.
8. The requested Statewide Rule 32 exception for the flare point under Commingling Permit No. 08-9028 is requested due to high line pressure which is generally limited to a few hours per event. WPX maintains that shutting the wells frequently would result in the waste of reservoir energy and recoverable hydrocarbon liquids.
9. WPX 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. WPX meets the requirements in Statewide Rule 32 to flare of casinghead gas from flaring points, rates, and time periods listed in the Attachment A.
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 WPX Energy Permian, LLC (942623), 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 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 – PROPOSED FLARE EXCEPTION AUTHORITY(IES)

Permit No.	Commingle Permit No. (if applicable)	Lease Name, Individual Flare Stacks	Exception Start Date	Exception End Date	Maximum Flare volume (Mcf & Mcfm)	Casinghead Gas or Gas Well Gas
41200	08-9028	CBR 22-27 CFP	Nov. 30, 2019	Nov. 29, 2021	1,200 Mcfd 8,400 Mcfm	Gas well gas