

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. OG-19-00001738

**APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO
STATEWIDE RULE 32 FOR VARIOUS LEASES AND WELLS, PHANTOM
(WOLFCAMP) FIELD, LOVING COUNTY, TEXAS, DISTRICT 8**

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 January 22, 2020, 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 an amendment to the existing two-year exception to Statewide Rule 32 for various leases and wells, to reflect wells' reclassification from oil to gas well.
2. The Final Order in Oil and Gas Docket No. 08-0309279 authorized flaring of 300 thousand cubic feet per day ("Mcf") between March 1, 2018 and March 1, 2020 from the CBR 22 Lease.
3. The Final Order in Oil and Gas Docket No. 08-0309279 authorized flaring of 500 Mcfd between March 1, 2018 and March 1, 2020 from the CBR 2 Lease, Well Nos. 2H and 4H.
4. The Final Order in Oil and Gas Docket No. 08-0309279 authorized flaring of 1,425 Mcfd between March 1, 2018 and March 1, 2020 from the CBR 28 Lease, Well Nos. 3H and 7H.
5. The Final Order in Oil and Gas Docket No. 08-0309279 authorized flaring of 2,000 Mcfd between March 1, 2018 and March 1, 2020 from the CBR 32 Lease.
6. On October 16, 2018, the Final Order in Oil and Gas Docket No. 08-0308638 the subject wells were reclassified from oil to gas wells.

7. Over the course of the current flaring exception the percentage of the gas flared against the total production for each of the flaring points is:

Flare Point	CBR 22	CBR 2, 2H & 4H	CBR 28, 3H & 7H	CBR 32
Flared %	17.6%	12.2%	19.3%	14.1%

8. On October 25, 2019, WPX requested a hearing for an amendment to the existing exceptions to Statewide Rule 32 for the subject wells.
9. On January 9, 2020, 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 January 22, 2020.
10. The Statewide Rule 32 exception for the four flare points in this application was originally requested due to high line pressure within the casinghead gas gathering system, which was generally limited to a few hours per event. Following the reclassification of the subject wells, these routine system upsets continue to occur and are ongoing. WPX maintains that frequent, intermittent shutting-in of wells would result in the waste of reservoir energy and recoverable hydrocarbon liquids. However, the existing flaring exception does not authorize Applicant to flare gas well gas.
11. Amendment to the existing two-year exception is necessary to grant authority to flare gas well gas to address the potential waste of reservoir energy and recoverable hydrocarbon liquids that would otherwise result from routine upsets to the gathering pipeline system.
12. 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 gas well 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**.

The authority is granted, provided all production is reported on the appropriate Commission forms. The operator shall file the Statewide Rule 32 Exception Data Sheet and, shall file at the same time, the appropriate Commission required administrative Statewide Rule 32 Exception gas flaring fee for the facility.

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 March 4, 2020

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures
affixed by Hearings Division's
Unprotested Master Order dated
March 4, 2020)**

ATTACHMENT A – PROPOSED FLARE EXCEPTION AUTHORITY(IES)

Permit No.	Commingle Permit No. (if applicable)	Lease Name	Exception Start Date	Exception End Date	Maximum Flare volume (Mcf/d & Mcfm*)	Casinghead Gas or Gas Well Gas
31503	N/A	CBR 22	March 1, 2018	March 1, 2020	300 Mcfd	Gas Well Gas
31492	N/A	CBR 2, 2H & 4H	March 1, 2018	March 1, 2020	500 Mcfd	Gas Well Gas
31504	N/A	CBR 28, 3H & 7H	March 1, 2018	March 1, 2020	1,425 Mcfd	Gas Well Gas
31505	08-7910	CBR 32	March 1, 2018	March 1, 2020	2,000 Mcfd	Gas Well Gas

* Mcfm – Thousand Cubic Feet per Month