

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. OG-19-00001744**

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**APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE LINDSAY 2 CFP AND LINDSAY 9 CFP, PHANTOM (WOLFCAMP) AND SANDBAR (BONE SPRING) FIELDS, LOVING COUNTY, TEXAS, DISTRICT 8**

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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 February 12, 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. 08-0306761 authorized flaring of 1,100 thousand cubic feet per day ("Mcf") between September 30, 2017 and September 30, 2019 from the Titan State 16 Lease, Well No. 1H.
3. As of March 2019, Well No. 1H, Titan State 16 Lease, is administratively reclassified from oil to gas well.
4. Over the course of the current flaring exception Well No. 1H, Titan State 16 Lease, has flared 9.8% of total gas production. The applicant testified that the well has mechanically failed and is no longer producing nor will it seek further flaring exception.
5. The Final Order in Oil and Gas Docket No. 08-0309747 authorized flaring of 700 Mcf between January 1, 2018 and December 31, 2019 from the Circe State 28 Lease, Well No. 1H.
6. As of March 2019, Well No. 1H, Circe State 28 Lease, was administratively reclassified from oil to gas well.

7. Over the course of the current flaring exception Well No. 1H, Circe State 28 Lease, has flared 5.4% of total gas production. The applicant testified that the well has mechanically failed and is no longer producing nor will it seek to extend the flaring exception.
8. The Final Order in Oil and Gas Docket No. 08-0314813 authorized flaring of 3,000 Mcfd from Well No. 2H, Covington 46 Lease, and 3,000 Mcfd from Well No. 3H, Covington Lease, between October 12, 2018 and October 12, 2020.
9. As of May 2019, Well Nos. 2H and 3H, Covington 46 Lease, were administratively reclassified from oil to gas wells.
10. Over the course of the current flaring exception Well Nos. 2H and 3H, Covington Lease, have flared 25.3% and 22.0% of the total gas production respectively.
11. The Final Order in Oil and Gas Docket No. 08-0309747 authorized flaring of 250 Mcfd between May 1, 2018 and December 21, 2019, Monroe State 32 Lease, Well No. 1H.
12. The Final Order in Oil and Gas Docket No. 08-0309747 authorized flaring of 3,250 Mcfd between December 30, 2017 and December 21, 2019, Monroe State 32 Lease, Well No. 2H.
13. As of March 2019, Well Nos. 1H and 2H, Monroe State 32 Lease, were administratively reclassified from oil to gas wells.
14. Over the course of the current flaring exception Well Nos. 1H and 2H, Monroe State 32 Lease, have flared 4.8% and 8.2% of the total gas production respectively. The applicant testified that the wells have mechanically failed and are no longer producing nor will then seek to extend the flaring exception.
15. On October 25, 2019, WPX requested a hearing for an amendment to the existing exceptions to Statewide Rule 32 the subject leases and wells.
16. On January 28, 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 February 12, 2020.
17. The Statewide Rule 32 exception for the six 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.

18. 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.
19. Declines in gas deliverability for the Covington 46 Lease have lessened the necessity to flare the volumes authorized by the exiting exception. The existing flaring exception authority for these wells has been amended to reflect a reduction in exception volumes necessary to prevent waste that would otherwise result from routine system upsets
20. 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)**

<b>Permit No.</b>	<b>Commingle Permit No. (if applicable)</b>	<b>Flare Point</b>	<b>Exception Date</b>	<b>Exception End Date</b>	<b>Maximum Flare volume (Mcf/d &amp; Mcfm*)</b>	<b>Casinghead Gas or Gas Well Gas</b>
30660		Titan State 16	Sept. 30, 2017	Sept. 30, 2019	1,100 Mcfd	Gas Well Gas
30891		Circe State 28	Jan 1, 2018	Dec. 21, 2019	700 Mcfd	Gas Well Gas
27611		Covington 46, 2H	Oct. 12, 2018	Oct. 12, 2020	750 Mcfd 7,200 Mcfm	Gas Well Gas
27610		Covington 46, 3H	Oct. 12, 2018	Oct. 12, 2020	950 Mcfd 8,600 Mcfm	Gas Well Gas
30088		Monroe State 32, 1H	May 1, 2018	Dec. 21, 2019	250 Mcfd 2,800 Mcfm	Gas Well Gas
30062		Monroe State 32, 2H	Dec. 30, 2017	Dec. 21, 2019	3,250 Mcfd 6,500 Mcfm	Gas Well Gas

\*Mcfm – Thousand cubic feet per month