

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. OG-19-00001926**

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**APPLICATION OF WPX ENERGY HOLDINGS, LLC (942623) FOR AN EXCEPTION  
TO STATEWIDE RULE 32 FOR THE CBR 11-2 CFP AND THE CBR 32-29 CFP LEASE,  
SANDBAR (BONE SPRING) FIELD, LOVING COUNTY, TEXAS, DISTRICT 08**

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**FINAL ORDER**

The Railroad Commission of Texas (“Commission”) finds that after a notice of hearing in the above-docketed case was provided to all parties entitled to notice, a hearing was held 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. For each of the above-referenced central flare points, WPX Energy Permian, LLC (“WPX”) requested two-year exceptions to Statewide Rule 32 (“SWR 32”):
  - a. From December 20, 2019 to December 19, 2021, for authority to flare a maximum of 2,250 thousand cubic feet per day (“Mcf/d”), limited to 9,000 thousand cubic feet per month (“Mcfm”), of gas well gas from a central flare point for the CBR 11-2-56-1 CFP. The CBR 11-2-56-1 CFP is designed to flare gas well gas delivered from three (3) gas well leases, the CBR 11-2B-56-1, Well No. 332H, the CBR 11-2C-56-1, Well No. 333H, and the CBR 11-2D-56-1, Well No. 334H. Production from the three gas leases is commingled pursuant to commingling permit number 08-8754. The requested monthly flare volume represents four (4) days of the requested commingled maximum daily gas well gas flare volume from the gas leases serviced by the CBR 11-2-56-1 CFP. The gas well leases are designated in the Sandbar (Bone Spring) Field in Loving County, Texas (the “Field”).
  - b. From December 25, 2019 to December 24, 2021, for authority to flare a maximum of 1,200 Mcfd, limited to 10,000 Mcfm, of gas well gas from a central flare point, the CBR 32-29-56-1 CFP. The CBR 32-29-56-1 CFP is designed to flare gas well gas delivered from three (3) gas well leases, the CBR 32-29A-56-1, Well No. 331H, the CBR 32-29B-56-1, Well No. 332H, and the CBR 32-29C-56-1, Well No. 333H. Production from the three leases is commingled pursuant to commingling permit number 08-8889. The requested monthly flare volume represents approximately eight (8) days of the requested commingled maximum daily gas well gas volume from the gas leases serviced by the CBR 32-29-56-1 CFP. The gas well leases are

designated in the Sandbar (Bone Spring) Field in Loving County, Texas (the "Field").

2. WPX submitted a request for hearing on the SWR 32 exception flaring authorities on November 6, 2019, which is more than twenty-one (21) days prior to the prescribed termination dates of the most recent administratively granted SWR 32 exception authorities for each of the two central flare points.
3. WPX was previously granted a series of two (2) consecutive administrative SWR 32 exceptions effective a cumulative total of 180 days for each of the central flare points:
  - a. For the CBR 11-2-56-1 CFP, under permit number 40429, WPX was granted an exception to flare 200 Mcfd. The actual requested administrative SWR 32 exception volume was 200 Mcfd per well, for a total of 600 Mcfd. The prescribed termination date of the most recent administrative SWR 32 flare exception number 40429 was December 20, 2019.
  - b. For the CBR 32-29-56-1 CFP, under permit number 40675, WPX was granted an exception to flare 500 Mcfd. The actual requested administrative SWR 32 exception volume was 500 Mcfd per well, for a total of 1,500 Mcfd. The prescribed termination date of the most recent administrative SWR 32 flare exception number 40675 was January 13, 2020.
4. On January 22, 2020, the Hearings Division of the Commission sent a Joint Notice of Hearing ("Notice") to Applicant and all offsetting operators in the Field setting a hearing date of February 12, 2020. 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 February 12, 2020, as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.
5. Regarding the CBR 11-2-56-1 CFP:
  - a. The commingled daily gas production data associated with the CBR 11-2-56-1 CFP for the period extending from October 1, 2019, through January 31, 2020 demonstrates a month-to-month production decline.
    - i. In October 2019, the monthly commingled gas production was 245,953 Mcf, a calculated daily average of 7,934 Mcf.



between the reservoir and the wellbore and possibly a ten percent (10%) loss in the estimated ultimate recovery of hydrocarbons from the wells.

10. Based upon the foregoing, the recommended maximum daily and maximum monthly flare exception volumes for the CBR 11-2-56-1 CFP and for the CBR 32-29-56-1 CFP identified on Attachment A are based upon the daily commingled maximum deliverability of the gas well gas during the period from October 2019 through January 2020, for the CBR 11-2-56-1 CFP and for the CBR 32-29-56-1 CFP, allowing for flaring to occur for one and one-half (1.5) days in the aggregate per calendar month for the CBR 11-2-56-1 CFP, and for one (1) day in the aggregate for the CBR 32-29-56-1 CFP.
11. Given the month-to-month production decline of the commingled gas well gas deliverability connected to the CBR 11-2-56-1 CFP and to the CBR 32-29-56-1 CFP, and the relatively small volumes of gas well gas historically being flared, the one-year term of SWR 32 exception for the CBR 11-2-56-1 CFP and for the CBR 32-29-56-1 CFP identified on Attachment A is appropriate.
12. At the hearing, WPX 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. SWR 32 requires gas to be utilized for purposes and uses authorized by law unless authorized. 16 Tex. Admin. Code § 3.32(b).
4. SWR 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. WPX has met the requirements in SWR 32 to flare gas 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 WPX Energy Permian, LLC (942643) is granted a one-year exception to Statewide Rule 32. Its request for authority to flare gas well gas from the CBR 11-2-56-1 CFP central flare point, from December 20, 2019 to December 19, 2020, and to flare gas well gas from the CBR 32-29-56-1 CFP central flare point from December 25, 2019 to December 24, 2020, as reflected in attached Attachment A, is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Within 30 days of the effective date of this order, WPX shall file the Statewide Rule 32 Exception Data Sheet and the required fee for a Statewide Rule 32 exception for the for the CBR 11-2-56-1 CFP and for the CBR 32-29-56-1 CFP. See 16 Tex. Admin. Code § 3.32(h)(1). This order, and the authority to flare granted herein, is **VOID** if the required fee is not paid by WPX within thirty (30) days of the effective date of this order.

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 April 21, 2020**

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Division's Unprotected Master  
Order dated April 21, 2020)**

**ATTACHMENT A**

<b>Exception No.</b>	<b>Commingle Permit No. (If Applicable)</b>	<b>Lease Name, Individual Flare Stacks</b>	<b>Permit Start Date</b>	<b>Permit End Date</b>	<b>Maximum Flare Volume (Mcf/d &amp; Mcfm)</b>	<b>Casinghead Gas or Gas Well Gas</b>
40429	08-8754	CBR 11-2-56-1 CFP	Dec. 20, 2019	Dec. 19, 2020	6,200 Mcfd 8,700 Mcfm	Gas Well Gas
40675	08-8889	CBR 32-29-56-1 CFP	Dec. 25, 2019	Dec. 24, 2020	5,100 Mcfd 5,100 Mcfm	Gas Well Gas

The location of the nearest access point to the **CBR 11-2-56-1 CFP** is approximately 0.75 to the west at :

**Latitude 31.970446**

**Longitude -103.840636**

**WGS-84**

The location of the nearest access point to the **CBR 32-29-56-1 CFP** is approximately 0.82 miles to the west at:

**Latitude 31.970446**

**Longitude -103.840636**

**WGS-84**