

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. OG-20-00002305

APPLICATION OF EP ENERGY E&P COMPANY L.P. (253385) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE UNIVERSITY WEST 0504 CENTRAL PRODUCING FACILITY, LIN (WOLFCAMP) FIELD, UPTON COUNTY, TEXAS, DISTRICT 7C

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 March 13, 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. EP Energy E&P Company, L.P. ("EP" or "Applicant") seeks a two-year exception to 16 Tex. Admin. Code § 3.32 ("SWR 32") for authority to flare 250 thousand cubic feet per day ("Mcf/d"), limited to 1,800 thousand cubic feet per month ("Mcfm") of casinghead gas at the University West 0504 Central Production Facility flare point ("UWCPF") from various commingled leases ("Leases")(P-17 No. 6379), in the Blue Danube (Strawn) Field, Lin (Wolfcamp), and Sheep Mountain (Consolidated) in Upton County, Texas. The request is tabulated in Attachment A.
2. EP submitted a request for hearing on the Statewide Rule 32 exception request on December 23, 2019.
3. EP was previously granted an exception by Final Order (Oil and Gas Docket No. 7C-0308839) to Statewide Rule 32 to flare a maximum casinghead gas volume of 4,500 Mcfd at the UWCPF from the Leases.
4. On February 19, 2020 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 March 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 March 13, 2020 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. The subject Leases are currently selling casinghead gas via wet gas sales pipeline operated by Targa.
6. EP is requesting flaring authority at the UWCPF for compressor downtime and system upsets.
7. Over the last six months, EP provided an analysis demonstrating the highest daily volume of flared gas was 166 Mcfd. During the same six-month period the highest 30-day maximum flared gas was 1,786 Mcfm. This is consistent with EP's requested flared volumes at the UWCPF.
8. The requested Statewide Rule 32 exception to flare various volumes of casinghead gas (depicted on Attachment A) at the UWCPF is necessary for EP to produce the recoverable oil from the subject Leases.
9. At the hearing, EP agreed on the record that this Final Order 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. EP has met the requirements in Statewide Rule 32 to flare a maximum of 250 thousand cubic feet per day ("Mcf/d"), limited to 1,800 thousand cubic feet per month ("Mcfm") of casinghead 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 EP Energy E&P Company, L.P. (253385), Inc. (“EP” or “Applicant”) is granted a two-year exception to Statewide Rule 32. Its request for authority to flare various daily maximum volumes of casinghead gas from the subject Leases, as identified 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, Applicant shall file the Statewide Rule 32 Exception Data Sheet and the required fee for a Statewide Rule 32 exception for each flare point. 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 Applicant within 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 this Final Order is final and effective on the date the Master Order relating to this Final Order is signed.**

Signed on June 16, 2020

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division’s Unprotested Master
Order dated June 16, 2020)**

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

| Exception No. | Commingle Permit No. | Flare Point Name | Exception Start Date | Exception End Date | Maximum Flare Volume (MCF/Day) (MCF/Month) | Comments |
|---------------|----------------------|--|----------------------|--------------------|---|----------------|
| 30699 | 6379 | University West 0504 Central Production Facility | 2/5/2020 | 2/4/2022 | 250 Mcfd 1,800 Mcfm | Casinghead Gas |

Note: Mcfd = Thousand Cubic Feet Per Day

Mcfm = Thousand Cubic Feet Per Day

Flare Point Location:

Latitude: 31.1180710° N

Longitude: 101.8235350° W