



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0298707

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**THE APPLICATION OF ROSETTA RESOURCES OPERATING LP FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE LIGHT RANCH FACILITY, BRISCOE RANCH (EAGLEFORD) FIELD, DIMMIT COUNTY, TEXAS**

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**HEARD BY:** Brian Fancher, P.G. – Technical Examiner  
Marshall Enquist – Administrative Law Judge

**HEARING DATE:** December 17, 2015  
**RECORD CLOSED:** December 17, 2015  
**SUBMISSION DATE:** February 1, 2016  
**CONFERENCE DATE:** February 23, 2016

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Kelly Kenney  
Rickey Rackley  
Melissa Flack  
Vicki Frederick  
Jason Munson

Rosetta Resources Operating, LP

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Pursuant to 16 Tex. Admin. Code §3.32, Rosetta Resources Operating, LP ("Rosetta") seeks an exception to flare casinghead gas at its Light Ranch Facility ("Facility"), which handles production from the Subject Field through ten wellbores. Rosetta requests to flare up to 4,315 MCFGD from one flare stack at the Facility (MCFGD represents 1,000 cubic feet of gas per day), effective August 31, 2015 through October 31, 2015.

At the December 17<sup>th</sup> hearing, the examiners requested further clarification from Rosetta with regard to the subject application. On December 22, 2015, Rosetta submitted its late-filed Exhibit No. 17, effectively closing the record in this case. The application is unopposed. The Examiners recommend that it be approved.

## DISCUSSION OF THE EVIDENCE

### Applicable Rule

16 Tex. Admin. Code §3.32 (“SWR 32”) governs flaring of natural gas produced under the jurisdiction of the Railroad Commission. Titled “Exceptions,” SWR 32(h) states:

Requests for exceptions for more than 180-days and for volumes greater than 50 mcf of hydrocarbon gas per day shall be granted only in a final order signed by the commission.

### Application Background

Melissa Flack, a former Senior Regulatory Analyst with Rosetta<sup>1</sup>, and Rickey Rackley, a Field Manager with Rosetta<sup>2</sup>, testified on behalf of Rosetta.

Notice of hearing for the subject application was sent by U.S. mail directed to operators of record that immediately offset the subject lease, as well as the Oil & Gas Division (Staff) on November 5, 2015.<sup>3</sup> Rosetta was the only party to appear at the December 17<sup>th</sup> hearing. Rosetta submitted its hearing request for the subject application on October 23, 2015.<sup>4</sup>

The Facility handles production from ten wells (*i.e.*, Light Ranch Lease, Well Nos. 1 – 10) completed in the subject field (“Subject Wells”). The Facility utilizes one flare stack to burn casinghead gas from the Subject Wells. The Subject Wells are located on one of the following regulatory leases: (1) Lease I.D. 15336; (2) Lease I.D. 269332; (3) Lease I.D. 269333; (4) Lease I.D. 274432; and (5) Lease I.D. 274263 (“Regulatory Leases”). Pursuant to Statewide Rules 26 and 27, the Regulatory Leases are authorized for common storage and common separation of oil and casinghead gas (Commingling Permit No. 5475).<sup>5</sup>

Rosetta applied for and received administrative permits to flare casinghead gas from the Subject Wells at the Facility, effective September 1, 2014 through November 30, 2014 (Flare Permit No. 20634).<sup>6</sup> Rosetta submitted additional administrative applications to flare casinghead gas at the Facility, effective December 1, 2014 through October 31, 2015; however, those additional applications remain pending with Staff.

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<sup>1</sup> Rosetta Exh. No. 1.

<sup>2</sup> Rosetta Exh. No. 2.

<sup>3</sup> Rosetta Exh. No. 3.

<sup>4</sup> Rosetta Exh. No. 4.

<sup>5</sup> Rosetta Exh. No. 5.

<sup>6</sup> Rosetta Exh. No. 6.

Applicant's Argument

The casinghead gas gathering system on the Regulatory Leases is commonly connected, and it is routed to a third party gas sales line operated by Energy Transfer Company ("ETC"). Mr. Rickley testified ETC had ongoing upgrades to its sales pipeline between August 31<sup>st</sup> and October 31, 2015. Rosetta consequently flared casinghead gas from the Subject Wells to avoid shutting them in. He testified, however, that those pipeline upgrades are now complete. Thus, Rosetta's need to flare casinghead gas from the Subject Wells ended on October 31, 2015. Therefore, Rosetta believes that its requested relief in the instant case is reasonable.

**FINDINGS OF FACT**

1. Rosetta Resources Operating, LP ("Rosetta") seeks an exception to flare casinghead gas derived from the Briscoe Ranch (Eagleford) Field ("Subject Field") at its Light Ranch Facility ("Facility"), Dimmit County, Texas ("Subject Application").
2. Notice of the Subject Application was made on November 5, 2015.
3. Rosetta was the only party that attended the hearing held for the Subject Application.
4. Rosetta requests to collectively flare up to 4,315 MCFGD from one flare stack at the Facility (MCFGD represents 1,000 cubic feet of gas per day), effective August 31, 2015 through October 31, 2015.
5. The Facility handles production from the its Light Ranch Lease, Well Nos. 1 through 10 ("Subject Wells").
6. Rosetta received administrative authority to flare from the Subject Leases, effective September 1, 2014, through November 30, 2014 (Flare Permit No. 20634).
7. On October 23, 2015, Rosetta submitted its written request for a hearing on the Subject Application.
8. All casinghead gas production from the Facility is routed to a gas sales pipeline operated by Energy Transfer Company ("ETC").
9. The necessity for flaring casinghead gas from the Facility was due to pipeline upgrades on ETC's gas sales pipeline that serves the Subject Wells on Rosetta's Light Ranch Lease.
10. Approval of the subject application is reasonable and appropriate, in accordance with 16 Tex. Admin. Code §3.32(h).

**CONCLUSIONS OF LAW**

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code §81.051.
2. Legally sufficient notice has been provided to all affected persons.
3. The requested authority to flare up to 4,315 MCFGD from one flare stack at the Facility (MCFGD represents 1,000 cubic feet of gas per day), effective August 31, 2015 through October 31, 2015, satisfies the requirements of Title 16 TAC §3.32.

**EXAMINERS' RECOMMENDATION**

The Examiners recommend that the Commission grant Rosetta Resources Operating, LP an exception to collectively flare up to 4,315 MCFGD from one flare stack at the Facility, effective August 31, 2015 through October 31, 2015.

Respectfully submitted,



Brian Fancher, P.G.  
Technical Examiner



Marshall F. Enquist  
Administrative Law Judge