

RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7C-0308839

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

HEARD BY: Robert Musick, P.G. – Technical Examiner
Kristi M. Reeve – Administrative Law Judge

HEARING DATE: April 5, 2018

CONFERENCE DATE: June 19, 2018

APPEARANCES:

REPRESENTING:

APPLICANT:

Mark Hanna
Matt Immel

EP Energy E&P Company, L.P.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

EP Energy E&P Company, L.P. ("EP") seeks an exception to Statewide Rule 32 to flare casinghead gas in the Lin (Wolfcamp) Field, Upton County, Texas, for the University West 0504ABC Facility flare point. EP received administrative authority to flare a maximum of 4,500 thousand cubic feet per day ("MCFPD") of casinghead gas through Permit No. 30699 from August 5, 2017 through February 3, 2018, a 180-day period. EP is requesting authorization to continue to flare casinghead gas from February 4, 2018 to February 4, 2020, a 2-year period.

The application is unopposed, and the Technical Examiner and Administrative Law Judge (collectively "Examiners") recommend approval of the exception to Statewide Rule 32 for the University West 0504ABC Facility.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas and casinghead gas produced under the jurisdiction of the Railroad Commission. EP seeks relief pursuant to Statewide Rule 32(h)(4), as follows:

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.

EP was granted an administrative exception to Statewide Rule 32, for a 180-day period, from August 5, 2017 through February 3, 2018, to flare a maximum of 4,500 MCFPD, from the University West 0504ABC Facility.

To continue the flaring authority of casinghead gas after the expiration of the administrative authority of 180 days, EP sent a letter dated January 9, 2018, requesting a hearing to be conducted for the University West 0504ABC Facility, in the Lin (Wolfcamp) Field, Upton County, Texas.

The Hearings Division issued a Notice of Hearing to the Service List on March 14, 2018. A public hearing was held on April 5, 2018 to continue flaring authority for the University West 0504ABC Facility. EP is seeking authority to flare a maximum of 4,500 MCFPD of casinghead gas for a period of 2 years from February 4, 2018 to February 4, 2020.

Testimony at the hearing indicate the University West 0504ABC Facility is connected to a sales lines. The well only requires flaring during periods of routine maintenance, equipment malfunction, upset events and during sales line unavailability.

EP agreed on the record, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), the Final Order in this case shall be final and effective on the date a Master Order relating to this Final Order is signed.

The Examiners recommend the exceptions be granted.

FINDINGS OF FACT

1. Proper notice of this hearing was given to offset operators at least ten days prior to the date of hearing. There were no protests to the application.
2. EP was granted an administrative exception to Statewide Rule 32, for a 180-day period, to flare a maximum of 4,500 MCFPD of casinghead gas through Permit No. 30699 from August 5, 2017 through February 3, 2018.
3. On January 9, 2018, the Commission received a request for a hearing regarding a Statewide Rule 32 exception extension to continue flaring casinghead gas for the University West 0504ABC Facility.
4. The Hearings Division issued a Notice of Hearing to the Service List on March 14, 2018. A public hearing was held on April 5, 2018 to continue flaring authority for the University West

0504ABC Facility. EP is requesting authority to flare a maximum of 4,500 MCFPD of casinghead gas for a period of 2 years from February 4, 2018 to February 4, 2020.

5. Testimony at the hearing indicate the University West 0504ABC Facility is connected to a sales line. Flaring is only required during periods of routine maintenance, equipment malfunction, upset events and during sales lines unavailability.
6. EP agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), the Final Order in this case shall be final and effective on the date a Master Order relating to this Final Order is signed.

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. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.42.
3. The requested authority to flare casinghead gas satisfies the requirements of Statewide Rule 32. 16 Tex. Admin. Code § 3.32 (h).
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, the Final Order in this case is final and effective when a Master Order relating to the Final Order is signed.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant the exception to Statewide Rule 32 for the University West 0504ABC Facility flare point, as requested by EP Energy E&P Company, L.P

Respectfully submitted,



Robert Musick, P.G.
Technical Examiner



Kristi M. Reeve
Administrative Law Judge