

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0318483

APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE CBR 11-2 (284847) LEASE, WELL NO. 1H IN THE SANDBAR (BONE SPRING) FIELD (80544500), LOVING COUNTY, TEXAS

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 May 17, 2019 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") seeks a two-year exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare a maximum of 2,250 thousand cubic feet per day ("Mcf/d"), limited to 21,000 thousand cubic feet per month ("Mcfm"), of gas well gas from April 1, 2019, to March 31, 2021, from the flare stack located on the CBR 11-2 (284847) Lease ("Lease"), in the Sandbar (Bone Spring) Field, Loving County, Texas
2. WPX submitted a request for hearing on the Statewide Rule 32 exception flaring authority on February 26, 2019.
3. WPX was previously granted an administrative exception to Statewide Rule 32 to flare a maximum gas well gas volume of 400 thousand cubic feet per day ("Mcf/d"), or 12,000 Mcfm, from the Lease under Flare Permit No. 35856, expiring March 31, 2019.
4. On April 11, 2019 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 May 17, 2019. 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 May 17, 2019, as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. The gas from the Lease is gathered and purchased by Stateline Gathering, LLC ("Stateline").
6. Approximately 13.8% of total Lease gas production is being flared.
7. Restrictions in capacity result in Stateline's gas pipeline not being able to take 100% of the Lease gas production.
8. Based on a table of historic Lease gas disposition, the estimated volume of gas well gas to be flared would be a maximum of 2,250 Mcfd, limited to 21,000 Mcfm.
9. The requested Statewide Rule 32 exception to flare a maximum of 2,250 Mcfd, limited to 21,000 Mcfm, of gas well gas is necessary for WPX to produce the recoverable hydrocarbon liquids from the Lease.
10. 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. 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. WPX has met the requirements in Statewide Rule 32 to flare a maximum of 2,250 Mcfd, limited to 21,000 Mcfm, of gas well 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 (942623), Inc. is granted a two-year exception to Statewide Rule 32. Its request for authority to flare a maximum of 2,250 Mcfd, limited to 21,000 Mcfm, of gas well gas from the flare stack located on the CBR 11-2 (284847) from April 1, 2019 to March 31, 2021, as reflected in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. WPX shall file the Statewide Rule 32 Exception Data Sheet and, shall file at the same time, the required fee for a Statewide Rule 32 exception for each individual flare point on the CBR 11-2 Lease. See 16 Tex. Admin. Code § 3.32(h)(1).

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 June 18, 2019

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated June 18, 2019)**

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Permit No.	Commingle Permit No. (If Applicable)	Lease Name, Individual Flare Stacks	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcfcd & Mcfm)	Casinghead Gas or Gas Well Gas
35856	N/A	CBR 11-2	April 1, 2019	March 31, 2021	2,250 Mcfd 21,000 Mcfm	Gas Well Gas

Note:

Mcfcd = Thousan Cubic Feet per Day

Mcfm = Thousand Cubic Feet Per Month