



Statewide Rule 32: Exception to Flaring/Venting of Produced Gas

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Purpose of Rule 32



Texas Administrative Code Rule §3.32

- Prevent Waste
- Foster Conservation
- Protect Correlative Rights
- Promote the Orderly Development of the Field

Statement of Rule 32



Texas Administrative Code (TAC) **Title 16, Part 1, Chapter 3 Rule §3.32**

Gas Well Gas and Casinghead Gas Shall Be Utilized for
Legal Purposes

- Lease Operation
- Sale

Legal Framework



- **Subject to federal regulations:**
 - U.S. Environmental Protection Agency (EPA)
 - Federal Clean Air Act
- **Subject to state regulations:**
 - Texas Commission on Environmental Quality (TCEQ)
 - Texas Clean Air Act
- Compliance with §3.36 (Hydrogen Sulfide Areas) when applicable

Key Terminology (1 of 2)



- **Fugitive emissions:**
Gas releases from equipment components that cannot reasonably be captured
- **Gathering system:**
Facilities to collect, compress, and transport gas
- **Lease production facilities:**
Equipment employed on a lease for production of gas, condensate, and oil

Key Terminology (2 of 2)



- **Low pressure separator gas:**

Gas separated from a gas-liquid stream in a low-pressure separation facility

- **Tank vapors:**

Gas which evolves from oil, condensate, or water in storage tanks

- **Flaring:**

Controlled burning of natural gas

- **Venting:**

Release of natural gas to the atmosphere

Exception to Gas Releases by Rule 32



SWR 32 Provides for Three Types of Releases:

- Exempt
- Authorized
- Authorized by Securing an Exception (Application)



Exempt Gas Releases



- For a low volume
 - Metering is not required
 - No reporting on monthly production reports (PR)
 - Not charged against lease allowable production
 - No application
- **Examples:**
 - Tank vapors from storage tanks
 - Blowdown gas, purged gas, fugitive gas
 - Amine treater, dehydrator flash tank gas
 - Gas releases during drilling & completion

Authorized Gas Releases



- Limited in **Duration** or **Low Volume**
- Must be metered
- Reported on monthly Production Reports (PR)
- Charged against lease allowable production
- No application

Examples:

- For initial completion/recompletion/workover up to 10 producing days
- Unloading gas (vent) from a well up to 24 hrs (72 hrs/m)
- For partial/full shut down limited to less than 24 hrs
- Low pressure separator gas, not to exceed 15 mcf/d for gas well and 50 mcf/d for oil or commingle lease

Gas Releases by Securing Exceptions (1 of 3)



- Must be metered
- Reported on monthly Production Reports (PR)
- Charged against lease allowable production
- Requires an application with fee

Examples:

- Extended clean-up beyond 10 days
- Unloading gas exceeding 24 hours (72 hours/month)
- Shut down beyond the initial 24 hours

Gas Releases by Securing Exceptions (2 of 3)



- Low pressure separator gas, exceeding 15 mcf/d for gas well or 50 mcf/d for oil and commingled lease
- Metered low pressure gas but not directed to a gas pipeline due to mechanical, physical, or economic impracticability
- For casinghead gas only, the unavailability of a gas pipeline (has 4 options)
- Avoiding curtailment of gas which will result in a reduction of ultimate recovery



Examples of Other Necessity for Release

- Insufficient Gas Gathering Capacity
- Scheduled/Unscheduled Maintenance
- System Upset (Operator/Third Party)
- High Line Pressure
- High O₂, N₂, H₂S Content

Gas Releases to be Flared or Vented (1 of 2)



- **Basic Rule:**

If it can be done safely, gas releases lasting more than 24 hours must be burned in a flare.

- **Short Releases:**

Gas releases lasting 24 hours or less can be vented to air if flaring isn't required for safety, and the gas can be safely vented.

Gas Releases to be Flared or Vented (2 of 2)



- **Hydrogen Sulfide Areas:**

Gas releases must follow the requirements in §3.36 (Hydrogen Sulfide Areas) when applicable.

- **Exception for Venting:**

You can get an exception to vent gas (instead of flaring) for releases longer than 24 hours if you can prove the gas:

- Cannot be safely and continuously burned in a flare
- Can be safely vented

Notification



After the initial 24 hrs. of release

- Notify the District Office no later than 7 calendar days*
- By email*, telephone or fax

* By NTO dated March 13, 2020

Exceptions (1 of 3)



- File application with a fee **(\$375)** and within **14th** calendar day following the first 24 hrs release*
- Exception is given to a **Gas Well, Oil Lease** or to a **Commingled Point**, not to the **Flare Point**
- Administrative exception is limited to **180 days**
- Volume of **≤50** mcf/d may request **permanent** exception
- Request for more than 180 days and 50 mcf/d is granted in a **Final Order** (hearing)
- Not transferable upon a **change of operatorship**
- New operator has **90** days to file the new exception once the P-4 has been approved

*By NTO dated March 13, 2020

Exceptions (2 of 3)



- One application (one fee) may be filed for multiple releases as a result of the partial or full shut-down of a
 - Gas Gathering System
 - Gas Plant
 - Compressor Facility
- This provision is known as **SWR 32 (h)(8)**
- Usually notified by the stakeholder for a planned event

Exceptions (3 of 3)



- **Commission staff issues:**
- 60-day exceptions for wells connected to pipelines
 - May be renewed administratively for up to a total of 180 days (not actual flaring days)
 - Should be filed with a fee within 21 days prior to the expiration of the existing exception authority
- 90-day exceptions for wells not connected to pipelines
- **Authorized to flare while the application is pending**
- **Any material change requires a new exception**
- **Can request a hearing on denied, new or renewal application**



Required Documentation:

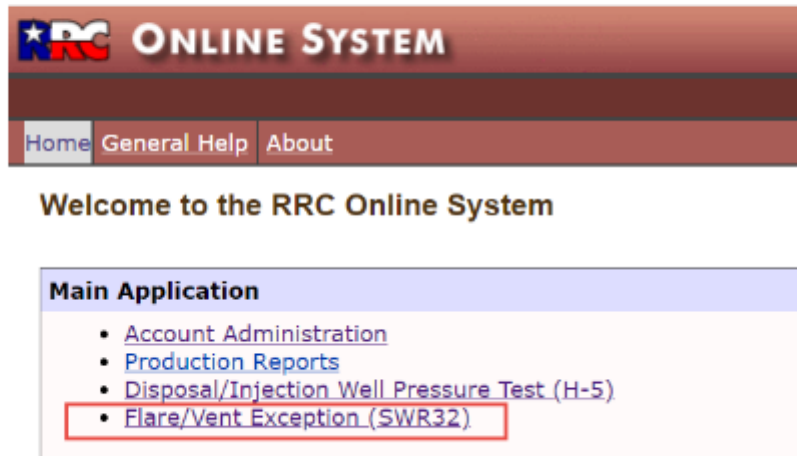
- Hearing Request Letter
 - Property Name or Site Name (CP) & ID
 - Field Name (may be multiple fields)
 - County & District
 - Signed
- Service List
 - List of operators (direct offset touching the lease)

Application for Exception (1 of 4)



<https://webapps.rrc.texas.gov/security/login.do>

After logging into the *RRC Online System*, a user with the proper security access will see the *Flare/Vent Exception (SWR32)* link on their Home Page.



Pg 1: Operator and Exception

Pg 2: Property and Flare/Vent Locations

Pg 3: Attachments

Pg 4: Submit

Application for Exception (2 of 4)



Pg 1: Operator and Exception

Requested Exception

Previous exception number not in the online system

Site Name:

Is the operator aware of the "Recommended Practice" related to flaring in the February 2019 Notice to Operators? *

Hearing Requested: *

Permanent Exception Requested (Hearing required if volume is greater than 50 MCF/Day) *

Requested Effective Date: *

Requested Expiration Date: *

Release Requested for:

Every day of the calendar month: ☐

Days per month: *

Is this oil and/or gas property connected to a gas gathering or transmission system? *

Please check out the [RRC Recommended Lighting Practices](#) for guidance.

Exception is for a full or partial shut-down of a gas plant, gas gathering system, etc. as provided for in SWR 32 (h) (8): *

Number of Days (this request):

Distance to nearest pipeline: *

Feet

Application for Exception (3 of 4)



Pg 1: Operator and Exception

Pg 2: Property and Flare/Vent Locations

Pg 3: Attachments

Pg 4: Submit

Rule-Defined Necessity for Release

Specify the necessity for the release pursuant to SWR 32(f)(2) *

- | | |
|--|--|
| <input type="checkbox"/> Extended clean-up beyond 10 days | <input type="checkbox"/> Unloading excess formation fluid buildup |
| <input type="checkbox"/> Low pressure gas with authorized uses constrained by mechanical, physical, or economic impracticability | <input type="checkbox"/> For casinghead gas only, the unavailability of a gas pipeline or marketing facility |
| <input type="checkbox"/> Avoiding curtailment of gas which will result in a reduction of ultimate recovery | <input type="checkbox"/> Insufficient Gas Gathering Capacity |
| <input type="checkbox"/> System Upset (Operator) | <input type="checkbox"/> System Upset (Third Party) |
| <input type="checkbox"/> Scheduled Maintenance | <input type="checkbox"/> Unscheduled Maintenance |
| <input type="checkbox"/> Other | |

Specify the requested form of exception if necessity is due to unavailability of a gas pipeline or marketing facility (for casinghead gas only)

Select Attachment Type

Required Documentation

Provide documentation demonstrating that the conditions for which the initial exception or latest renewal was granted have not significantly changed despite a good-faith attempt by the operator to direct the gas to or utilize the gas for purposes and uses authorized by law.

Provide preliminary production data for the past 60 days to document the current production and disposition of gas from the producing property. For new wells producing for less than 60 days, document the production history to date. Preliminary production data is not required for gas plant exceptions

- ☐ For casinghead gas only, the unavailability of a gas pipeline or marketing facility [see SWR 32(f)(2)(D)].

See Instructions.

Requested form of exception (check one):

- ☐ Administrative approval for 90 days, not to be renewed administratively.
- ☐ Administrative approval for up to a 180-day period, in which flaring/venting is limited to 5 days per month.
- ☐ Administrative approval up to 180 days, if gas volume flared is reduced via application of a flare reduction technology. *See Instructions.*
- ☐ Step-out (drilling in undeveloped areas): a) lack of infrastructure for the quality of gas; or b) 2-1/2 miles radius review for pipeline availability; 90-day renewable administrative extensions available for a maximum of 180 days.



Required Documentation:

1. Explanation of release and reason for not shutting-in the well (for New Exception)
2. Documenting the conditions for which the initial exception or latest renewal was granted have not significantly changed (for Renewal Exception)
3. Last 60 days (**daily, not monthly**) produced and flared volume of gas (excel file). For new wells producing for less than 60 days, document the production history to date (for both New and Renewal Exception)

Sample Tables



A	B	C	D	E	F	G	H	I
	Total CP		Lease # 12345		Lease # 12346		Lease # 12347	
Date	Gas Production (MCF)	Gas Flare (MCF)	Gas Production (MCF)	Gas Flare (MCF)	Gas Production (MCF)	Gas Flare (MCF)	Gas Production (MCF)	Gas Flare (MCF)
6/1/2023	2,561	0	1,255	0	623	0	683	0
6/2/2023	2,475	0	1,227	0	597	0	651	0
6/3/2023	2,472	0	1,232	0	590	0	649	0
6/4/2023	2,108	0	902	0	569	0	637	0
6/5/2023	2,457	0	920	0	717	0	820	0
6/6/2023	2,127	165	806	153	617	10	704	1
6/7/2023	2,033	165	796	153	588	10	649	1
6/8/2023	2,068	165	816	153	597	10	654	1
6/9/2023	2,021	32	674	10	645	10	702	11
6/10/2023	1,825	23	722	10	504	1	599	11
6/11/2023	2,113	23	811	10	603	1	700	11
6/12/2023	1,685	23	948	10	580	1	156	11
6/13/2023	1,683	23	840	10	572	1	271	11

Commingle Property

(h)(8) COMMINGLE & LEASES

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Total (h)(8)		Commingle # 1234		Commingle # 2344		Commingle # 4564		Commingle # 6784		Lease # 89141		Lease # 89223	
Date	Gas Production (MCF)	Gas Flare (MCF)	Gas Production (MCF)	Gas Flare (MCF)	Gas Production (MCF)	Gas Flare (MCF)	Gas Production (MCF)	Gas Flare (MCF)	Gas Production (MCF)	Gas Flare (MCF)	Gas Production (MCF)	Gas Flare (MCF)	Gas Production (MCF)	Gas Flare (MCF)
09/14/23	4,463	0	409	0	1,234	0	1,335	0	74	0	1,190	0	220	0
09/15/23	4,783	0	636	0	1,319	0	1,368	0	93	0	1,146	0	220	0
09/16/23	4,551	0	281	0	1,321	0	1,460	0	107	0	1,162	0	220	0
09/17/23	4,531	0	431	0	1,286	0	1,357	0	138	0	1,100	0	220	0
09/18/23	4,795	0	522	0	1,320	0	1,504	0	104	0	1,124	0	220	0
09/19/23	4,700	3,760	473	379	1,270	1,016	1,447	1,158	227	182	1,062	849	220	176
09/20/23	4,377	4,377	466	466	1,259	1,259	1,285	1,285	217	217	931	931	220	220
09/21/23	4,269	4,269	471	471	1,282	1,282	1,124	1,124	204	204	968	968	220	220
09/22/23	4,391	4,391	469	469	1,286	1,286	1,266	1,266	198	198	953	953	220	220
09/23/23	4,234	4,234	387	387	1,188	1,188	1,401	1,401	149	149	889	889	220	220
09/24/23	4,325	4,325	485	485	1,135	1,135	1,421	1,421	151	151	914	914	220	220
09/25/23	4,411	4,411	409	409	1,262	1,262	1,452	1,452	147	147	920	920	220	220
09/26/23	4,371	4,371	416	416	1,271	1,271	1,441	1,441	163	163	860	860	220	220
09/27/23	4,612	4,612	479	479	1,280	1,280	1,542	1,542	167	167	924	924	220	220
09/28/23	4,369	3,801	431	375	1,280	1,114	1,336	1,163	152	132	949	826	220	191
09/29/23	4,276	2,394	431	242	1,279	716	1,335	748	125	70	885	496	220	123

Example of PR with Flare/Venting Disposition



Oil/Condensate (Whole Barrels)							Gas/Casinghead Gas - MCF		
Prod Month	Commingle Permit No.	On Hand Beginning of Month	Production	Disposition		On Hand End of Month	Formation Production	Disposition	
				Volume	Code			Volume	Code
08/2021		805	141,344	141,344	00	805	201,971	196,970	02
								5,001	04
		Gas 04 RRC APPROVED PERMIT							
09/2021		805	135,614	135,597	00	805	140,162	140,148	02
				17	01			14	10
10/2021		805	139,779	139,778	00	806	152,197	152,184	02
								13	10
		Gas 10 AR							
11/2021		806	136,721	136,722	00	805	138,659	138,189	02
								470	10

Code 04: Flare/Vent, before September 2021

Code 10: Flare, after September 2021

Code 11: Vent, after September 2021

Code EX: Exempt

Code AR: Authorized by Rule

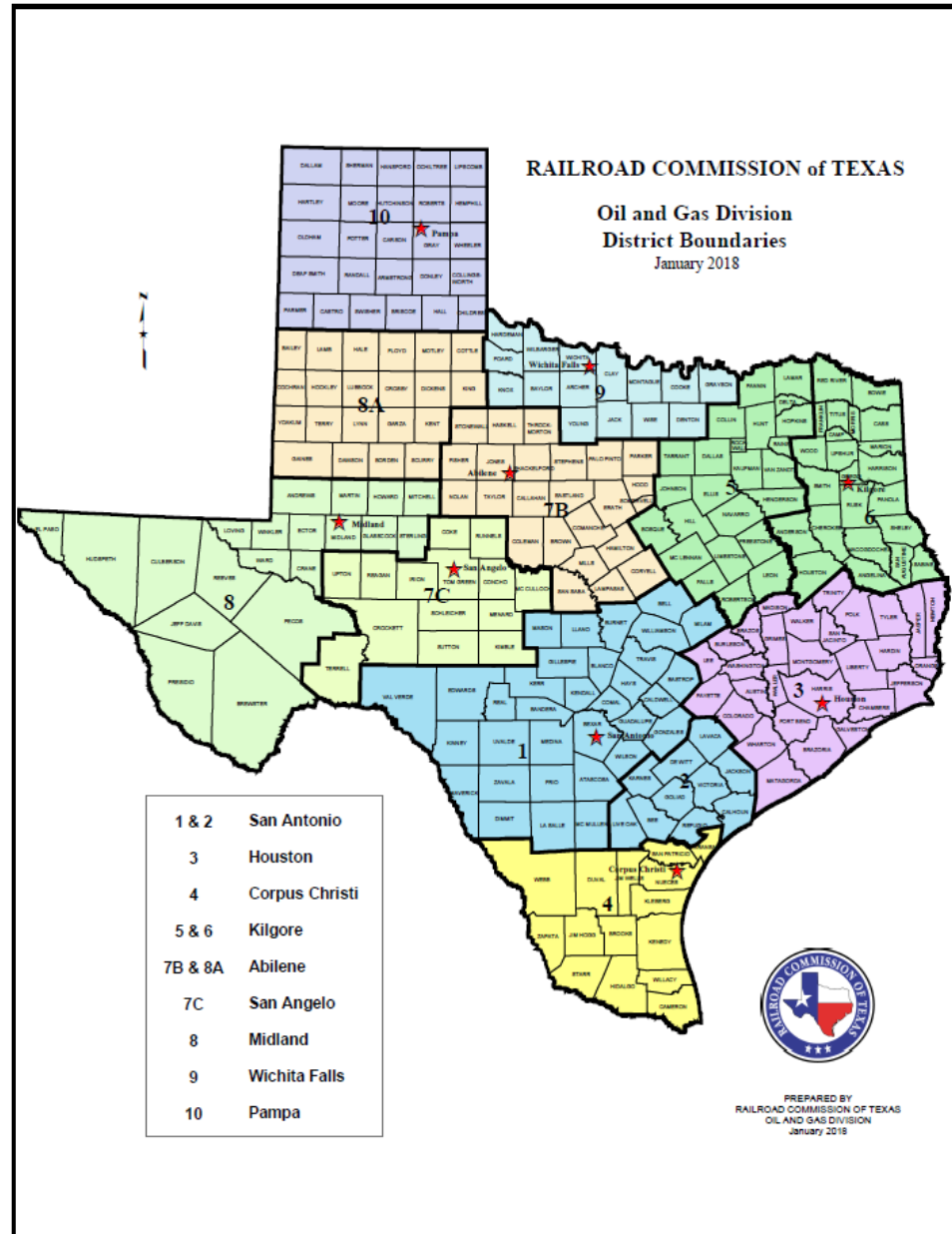
Code AE: Authorized by Exception

Code EP: Exception Pending

Oil and Gas District Offices



- San Antonio
- Houston
- Corpus Christi
- Kilgore
- Abilene
- San Angelo
- Midland
- Wichita Falls
- Pampa



District Offices



<u>District</u>	<u>City</u>	<u>Address</u>	<u>Phone</u>
1 & 2	San Antonio	112 East Pecan St, Suite 705 San Antonio, TX 78205	(210) 227-1313
3	Houston	1919 N. Loop West, Suite 620 Houston, TX 77008	(713) 869-5001
4	Corpus Christi	10320 IH 37 Corpus Christi, TX 78410	(361) 242-3113
5 & 6	Kilgore	2005 North State Highway 42 Kilgore, TX 75662	(903) 984-3026
7B	Abilene	3444 North First St, Suite 600 Abilene, TX 79603	(325) 677-3545
7C	San Angelo	622 South Oakes St, Suite J San Angelo, TX 76903	(325) 657-7450
8 & 8A	Midland	10 Desta Dr, Suite 500 E Midland, TX 79705	(432) 684-5581
9	Wichita Falls	5800 Kell Blvd, Suite 300 Wichita Falls, TX 76310	(940) 723-2153
10	Pampa	200 West Foster, Room 300 Pampa, TX 79065	(806) 665-1653

Best Practices - Form Completion



- Always acknowledge "Recommended Practices" by selecting "Yes" on the first page
- Correctly identify if the application is a new exception or renewal
- Select "No" for "Hearing Requested" unless you intend to go through the hearing process
- Submit complete Excel files showing 60 days of production and flare volume data
- If H2S is present, obtain and attach District Office approval for safe venting
- For multiple properties affected by one shutdown, attach third-party notification

Best Practices - Timing & Data Requirements



- File within 14 days of the flaring event start
- Ensure the effective date isn't more than 14 days prior to submission
- File as renewal (not new exception) when brief gaps occur in flaring with the same cause
- Verify data consistency between application and Production Reports
- Ensure requested flare volumes don't exceed documented flare rates
- Provide a full 60-day data period when available

Best Practices - Pipeline & Multiple Properties



- Select correct options based on actual pipeline connection status
- Verify pipeline connection status before selecting options
- Properties more than 2.5 miles from pipelines qualify for 180-day exceptions
- For SWR 32(h)(8) applications (multiple properties):
 - Provide third-party documentation of the shutdown
 - Consolidate all affected property data into a single table
 - Remember curtailment (reduction) does not qualify as shutdown

Best Practices - Operator Changes & Exception Duration



- New operators have 90 days from P-4 approval to file new exceptions
- P-4 forms must be approved before filing exception applications
- Low-volume flaring (≤ 50 mcf/d) may qualify for permanent exception after consistent demonstration
- Hearing requests require a Service List of all adjacent lease owners, property ID number, field and county names, and district number

Best Practices - Application & Documentation Tips



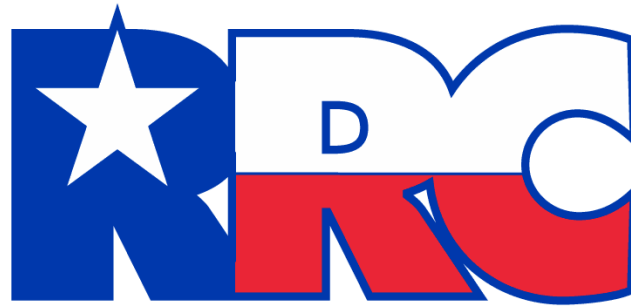
- Clear cache and browsing history to resolve payment issues
- For renewals, document that conditions haven't significantly changed
- When requesting an exception, provide clear explanation of why shutting in the well isn't feasible
- Always report flared gas on monthly Production Reports using correct disposition codes
- When resubmitting, add detailed explanations as attachments
- Include both produced and flared volumes
- Organize documentation by property and date



Contact Information

- **Technical Support**
 - Help Desk: 512-463-7229
 - Payment Issues: Araceli Condos
araceli.condos@rrc.texas.gov

Statewide Rule 32 Exception Contacts



Seyed K. Mahjour

Engineering Specialist IV

Email: seyed.mahjour@rrc.texas.gov

Phone: 512-463-6722

Tim Speer

Engineering Unit Manager

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Phone: 512-463-6452