



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 08-0299258**

---

**THE APPLICATION OF CONOCOPHILLIPS COMPANY FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE SOUTH COWDEN UNIT, TRACT 6 BATTERIES, COWDEN SOUTH FIELD, ECTOR COUNTY, TEXAS**

---

**HEARD BY:** Paul Dubois – Technical Examiner  
Marshall Enquist – Administrative Law Judge

**HEARING DATE:** March 28, 2016

**CONFERENCE DATE:** May 3, 2016

**APPEARANCES:**

Jamie Nielson  
Kris Sinclair  
Judith Clifford  
Colleen Reda

**REPRESENTING:**

ConocoPhillips Company

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

Pursuant to Statewide Rule 32, ConocoPhillips Company seeks an exception to flare gas from its South Cowden Unit Tract 6 Batteries (Lease ID No. 19297) in the South Cowden Field, Ector County, Texas. This request is a continuation of the one-year authority granted by Commission Final Order (Docket No. 08-0294812) on September 15, 2015. ConocoPhillips requests continued authority to flare up to 400 thousand cubic feet (MCF) of gas per day from the Tract 6 Batteries from January 16, 2016 through January 15, 2018. The application was not protested. The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend the application be granted.

#### **DISCUSSION OF EVIDENCE**

ConocoPhillips requests an exception to flare gas produced on its South Cowden Unit in the South Cowden Field, Ector County, Texas. The South Cowden Unit is located on more than 2,000 acres about 6.3 miles south of Odessa. Generally, Statewide Rule 32

governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Capitan seeks relief in the captioned docket pursuant to Statewide Rule 32(f)(2)(D), as follows:

*The commission or the commission's delegate may administratively grant or renew an exception to the requirements of limitations of this subsection subject to the requirements of subsection (h)...if the operator of a well or production facility presents information to show the necessity for the release...*

Titled "Exceptions," Statewide Rule 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.*

Gas produced on the South Cowden Unit is not marketable because it only contains about 20 percent hydrocarbons; the bulk of the gas is carbon dioxide and smaller amounts of hydrogen sulfide. For gas disposition, ConocoPhillips re-injects the gas into the South Cowden Field as part of its unitized enhanced recovery activities. Re-injecting the produced gas has increased hydrocarbon recovery in the field by about 20 percent.

However, on occasion ConocoPhillips is not able to re-inject the gas. During those times, which occur semi-annually for system maintenance or intermittently for other mechanical causes, ConocoPhillips flares the produced gas. When the gas is flared, ConocoPhillips must also add fuel gas to the combustion stream. The extra natural gas is necessary to maintain combustion because the produced gas is mostly carbon dioxide.

On September 15, 2015, the Commission entered an order in Docket No. 08-0294812 authorizing ConocoPhillips to flare up to 400 MCF gas per day from the Tract 6 Batteries from January 16, 2015 through January 16, 2016. By this application ConocoPhillips seeks to extend the authority to flare gas for two more years, through January 16, 2018. The Examiners find good cause exists to continue the authority to flare gas from the subject facility.

#### **FINDINGS OF FACT**

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of hearing.
2. The South Cowden Unit is located on more than 2,000 acres about 6.3 miles south of Odessa.

3. Gas produced on the South Cowden Unit is not marketable because it only contains about 20 percent hydrocarbons.
4. The bulk of the gas is carbon dioxide and smaller amounts of hydrogen sulfide.
5. ConocoPhillips re-injects the produced gas into the South Cowden Field as part of its unitized enhanced recovery activities.
6. Re-injecting the produced gas has increased hydrocarbon recovery in the field by about 20 percent.
7. On September 15, 2015, the Commission entered an order in Docket No. 08-0294812 authorizing ConocoPhillips to flare up to 400 MCF gas per day from the Tract 6 Batteries from January 16, 2015 through January 16, 2016.
8. Continued authority to flare gas from the Tract 6 Batteries ConocoPhillips to continue to produce oil from the South Cowden Unit.

**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 § 1.45.
3. ConocoPhillips has met the requirements in 16 Tex. Admin. Code § 3.32 for an exception to the limitations in that section regarding ConocoPhillips's requested authority to flare gas produced from the subject wells.

**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order granting the application of ConocoPhillips to flare up to 400 MCF gas per day from the Tract 6 Batteries from January 16, 2016 through January 16, 2018.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Marshall Enquist  
Administrative Law Judge