

# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 01-0308836**

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**APPLICATION OF EP ENERGY E&P COMPANY, L.P. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FACILITIES IN THE BRISCOE RANCH (EAGLEFORD) AND PEARSALL (BUDA LIME) FIELDS, FRIO AND LA SALLE COUNTIES, TEXAS**

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**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 Briscoe Ranch (Eagle Ford) and Pearsall (Buda Lime) Fields, Frio and La Salle Counties, Texas to extend flaring authorization approved by Commission Final Order No. 01-0299945, expiring April 1, 2018. EP requested authorization to continue to flare casinghead gas from April 1, 2018 to April 1, 2020, at the Burns Ranch, Central Production Facility ("CPF"), Well Nos. A 69H, CPF A, CPF B, CPF C, CPF D, CPF E, CPF F and CPF G.

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 Burns Ranch, CPF, Well Nos. A 69H, CPF A, CPF B, CPF C, CPF D, CPF E, CPF F and CPF G.

### 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 October 1, 2015 to March 31, 2016 for the Burns Ranch, CPF wells. Attachment B.1 identifies the eight (8) wells and approved administrative flaring authority.

After the 180-day administrative period expired, EP requested a hearing and was granted an exception to Statewide Rule 32 to flare casinghead gas from April 1, 2016 to April 1, 2018, pursuant to the Commission Final Order in Oil & Gas Docket No. 01-0299945, effective 10/11/2016. Attachment B.2 identifies the eight (8) wells and approved flaring authority authorized by the above-referenced Final Order.

To continue the flaring authority of casinghead gas after the expiration of the Commission Final Order No. 01-0299945, EP sent a letter dated January 9, 2018, requesting a hearing to be conducted for various leases to seek continued flaring authority for the eight (8) wells on the Burns Ranch, CPF wells. 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 all eight (8) wells and associated flare points identified in Attachment A.

Testimony at the hearing indicate all but one (1) of the eight (8) wells on the Burns Ranch, CPF are connected to sales lines. The seven (7) wells connected to sales lines only require flaring during periods of routine maintenance, equipment malfunction, upset events and during sales lines unavailability. Testimony indicate that the A 69H Well was not connected to a sales line. EP determined, after completing a financial assessment, it was uneconomic for the A 69H Well to connect to sales after factoring the pipeline and operations costs.

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, from October 1, 2015 to March 31, 2016 for the Burns Ranch, Central Production Facility (CPF) wells. Attachment B.1 identifies the eight (8) wells and approved administrative flaring authority.
3. EP was granted an exception to Statewide Rule 32 to flare casinghead gas from April 1, 2016 to April 1, 2018, pursuant to the Commission Final Order in Oil & Gas Docket No. 01-0299945, effective 10/11/2016, for the Burns Ranch, CPF wells. Attachment B.2 identifies the eight (8) wells and approved flaring authority authorized by the above-referenced Final Order.
4. On January 9, 2018, the Commission received a request for hearing for a Statewide Rule 32 exception extension for the Burns Ranch, CPF, Well Nos. A 69H, CPF A, CPF B, CPF C, CPF DI, CPF E, CPF F and CPF G.
5. 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 eight (8) wells and associated flare points. The wells and flaring period time periods and authorized volumes are identified in Attachment A.
6. Testimony at the hearing indicate seven (7) wells on the Burns Ranch, CPF are connected to sales lines and one (1) well, the A 69H, is not connected to sales lines.
  - Wells that are connected to sales lines only require flaring during periods of routine maintenance, equipment malfunction, upset events and during sales lines unavailability.
  - The Well without a sales line requires flaring to operate and recover hydrocarbons. EP determined, after completing a financial assessment, it was uneconomic for the A 69H Well to connect to sales after factoring the costs of construction and operations.
7. 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 exceptions to Statewide Rule 32 for the eight (8) wells and associated flare points, as requested by EP Energy E&P Company, L.P

Respectfully submitted,



Robert Musick, P.G.  
Technical Examiner



Kristi M. Reeve  
Administrative Law Judge

**ATTACHMENT A - REQUESTED FLARE AUTHORITY****OIL & GAS DOCKET NO. 01-0308836 (Current Request)**

<b>Central Production Facility Well</b>	<b>Flare Permit</b>	<b>Flaring Authority Time Period</b>	<b>Flare Rate - (MCFPD)</b>	<b>Flaring Authorized</b>
Burns Ranch A 69A	24223	24 Months	500	4/01/2018 to 4/01/2020
Burns Ranch A CPF A	24129	24 Months	2,000	4/01/2018 to 4/01/2020
Burns Ranch A CPF B	24130	24 Months	2,200	4/01/2018 to 4/01/2020
Burns Ranch A CPF C	24131	24 Months	5,000	4/01/2018 to 4/01/2020
Burns Ranch A CPF D	24132	24 Months	2,000	4/01/2018 to 4/01/2020
Burns Ranch A CPF E	24133	24 Months	1,000	4/01/2018 to 4/01/2020
Burns Ranch A CPF F	24134	24 Months	5,000	4/01/2018 to 4/01/2020
Burns Ranch A CPF G	24135	24 Months	2,000	4/01/2018 to 4/01/2020

**ATTACHMENT B – PREVIOUS AUTHORIZED FLARING AUTHORITY*****Administrative Flaring Authority: Attachment B.1***

<b>Lease/Well</b>	<b>Flare Permit No.</b>	<b>Adm. Flaring Authority Time Period</b>	<b>Adm. Flare Rate – Maximum (MCFPD)</b>	<b>Adm. Flaring Authorized Effective Dates</b>
Burns Ranch A 69A	24223	180 Days	500	10/01/2015 to 03/31/2016
Burns Ranch A CPF A	24129	180 Days	2,000	10/01/2015 to 03/31/2016
Burns Ranch A CPF B	24130	180 Days	2,200	10/01/2015 to 03/31/2016
Burns Ranch A CPF C	24131	180 Days	5,000	10/01/2015 to 03/31/2016
Burns Ranch A CPF D	24132	180 Days	2,000	10/01/2015 to 03/31/2016
Burns Ranch A CPF E	24133	180 Days	1,000	10/01/2015 to 03/31/2016
Burns Ranch A CPF F	24134	180 Days	5,000	10/01/2015 to 03/31/2016
Burns Ranch A CPF G	24135	180 Days	2,000	10/01/2015 to 03/31/2016

***Previous Final Order for 01-0299945, effective 10/11/2016 – Attachment B.2***

<b>Lease/Well</b>	<b>Flare Permit No.</b>	<b>Final Order No.</b>	<b>Final Order Flare Rate - (MCFPD)</b>	<b>Flaring Authorized</b>
Burns Ranch A 69A	24223	01-0299945	500	4/01/2016 to 4/01/2018
Burns Ranch A CPF A	24129	01-0299945	2,000	4/01/2016 to 4/01/2018
Burns Ranch A CPF B	24130	01-0299945	2,200	4/01/2016 to 4/01/2018
Burns Ranch A CPF C	24131	01-0299945	5,000	4/01/2016 to 4/01/2018
Burns Ranch A CPF D	24132	01-0299945	2,000	4/01/2016 to 4/01/2018
Burns Ranch A CPF E	24133	01-0299945	1,000	4/01/2016 to 4/01/2018
Burns Ranch A CPF F	24134	01-0299945	5,000	4/01/2016 to 4/01/2018
Burns Ranch A CPF G	24135	01-0299945	2,000	4/01/2016 to 4/01/2018