



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0309597

THE APPLICATION OF BTA OIL PRODUCERS, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 TO FLARE CASINGHEAD GAS FROM THE BLACKTOP 21601(49209) LEASE, THE PIVOT 21602 34 (49329) LEASE, THE RIVERSIDE 21601 36 (48379) LEASE AND THE TETRIS 21601 (819419) LEASE, PHANTOM (WOLFCAMP) FIELD, REEVES COUNTY, TEXAS.

HEARD BY: Richard Eyster, P. G. – Technical Examiner
Jennifer Cook – Administrative Law Judge

HEARING DATE: May 17, 2018,

RECORD CLOSED: June 18, 2018

APPEARANCES:

Ben Grimes.

BTA Oil Producers, LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

BTA Oil Producers, LLC (BTA) seeks an exception to Statewide Rule 32 (16 Tex. Admin. Code §3.32) to flare casinghead gas from for leases, the Blacktop 21601(49209) Lease, the Pivot 21602 34 (49329) Lease, the Riverside 21601 36 (48379) Lease and the Tetris 21601 (819419) Lease, Phantom (Wolfcamp) Field, Reeves County, Texas. The application is not protested and the Technical Examiner and the Administrative Law Judge (collectively the Examiners) recommend the exception be granted.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization of gas well gas and casinghead gas produced by oil and gas wells under the jurisdiction of the Railroad Commission. The wells on the four leases are tied into a pipeline and most of the gas is sold and BTA expects more wells to come online in 2018 and 2019. Due to pipeline high pressure and

processing facility upsets BTA occasionally has to flare casinghead gas at a rate greater than 50 mcf/d.

BTA received 180 day administrative flaring permits for the four leases. The administrative permits expired on 3/19/2018. BTA is now requesting a Commission final order granting authority to flare for a period of one year from 3/20/2018 to 3/20/2019 at the volumes listed below.

Lease Name	Volume (mcf/d)
Blacktop 21601	3,000 mcf/d
Pivot 21602 34	6,000 mcf/d
Riverside 21601 36	12,000 mcf/d
Tetris 21601 18	2,000 mcf/d

BTA stated that without additional flaring authority they will have to shut the wells in causing waste and perhaps harm to the reservoir.

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. BTA applied for a hearing to extend the flaring authority more than 21 days before the administrative permits expired.
3. BTA is requesting to flare casinghead gas for one-year from March 20, 2018, to March 20, 2019 due to pipeline upsets.
4. BTA sells most of the gas from the four leases and only flares during pipeline high pressure upsets
5. Without a Final order authorizing the flaring, BTA will have to shut the wells in causing waste and possible harm to the reservoir.

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 §§ 1.43 and 1.45.
3. BTA Oil Producers, LLC has met the requirements in 16 Tex. Admin. Code § 3.32 for an exception to the limitations in that section regarding the requested authority to flare gas produced from the wells connected to the subject flare points.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order approving the application as requested by BTA Oil Producers, LLC.

Respectfully submitted,



Richard Eyster, P. G.
Technical Examiner



Jennifer Cook
Administrative Law Judge