



RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0311846

APPLICATION OF PDC PERMIAN, INC. (646832) FOR AN EXCEPTION TO
STATEWIDE RULE 32 FOR WELL NO. 94-H ON H.M. PHILLIPS STATE SEC. 9-4,
FORD WEST (WOLFCAMP) FIELD, CULBERSON COUNTY, TEXAS

HEARD BY: Petar Buva – Technical Examiner
Jennifer N. Cook – Administrative Law Judge

HEARING DATE: August 21, 2018

CONFERENCE DATE: September 18, 2018

APPEARANCES: REPRESENTING:

APPLICANT: PDC Permian, Inc.

Kelli Kenney (Attorney)
Collin Placke (Engineer)

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

PDC Permian, Inc. (646832) is requesting a Statewide Rule 32 exception for the H.M. Phillips State, Sec. 9-4, Well No. 94-H, in the Ford West (Wolfcamp) Field, Culberson County, Texas. Notice of the application was provided to offset operators in the field and no protest to the application was received. The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of a Statewide Rule 32 exception for the flare point associated with the H.M. Phillips State Sec. 9-4, well No. 94-H as requested by PDC Permian, Inc.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Specifically, Statewide Rule

32(j) *Opportunity for hearing* states that an operator may request a hearing on any application for an exception, or exception renewal required by this section.

PDC Permian, Inc. LLC requests an exception to Statewide Rule 32 for its flare located on the H.M. Phillips State Sec. 9-4, Well No. 94-H. PDC Permian, Inc. requests permission to flare a maximum of 12,500 thousand cubic feet (MCF) per month of casinghead gas for up to 2 years from July 2, 2018 to July 2, 2020.

PDC Permian, Inc. filed a hearing request on May 29, 2018. The prior administrative flaring exception permit No. 33490 authorized flaring for well 94-H from January 1, 2018 through April 1, 2018 and from April 2, 2018 through July 1, 2018 for a total of 180 days and maximum of 122 MCF per day.

PDC Permian, Inc. requests flaring during for routine maintenance or sales line unavailability.

PDC Permian, Inc. agreed that 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.

FINDINGS OF FACT

1. Notice of this hearing was given to offset operators in the subject field at least ten days prior to the date of hearing. There were no protests to the application.
2. On May 29, 2018, the Commission received a hearing request from PDC Permian, Inc. for an exception to Statewide Rule 32 for well No. 94-H.
3. PDC Permian, Inc. requests an exception to Statewide Rule 32 in the application for a period of two years from July 2, 2018 to July 2, 2020 to flare a maximum of 12, 500 MCF per month of casinghead gas.
4. Well 94-H was flaring under the permit No. 33490 that expired on July 1, 2018.
5. PDC Permian, Inc. agreed, that, 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.

CONCLUSIONS OF LAW

1. Notice was issued as required by applicable statutes and commission rules.

2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Title 16, Texas Administrative Code Section 3.32(h)(4) provides for an exception for more than 180 days and for volumes greater than 50 MCF per day.
4. Pursuant to §2001.144(a)(4)(A) of the Texas Government Code, and by agreement of the parties in writing or on the record, the Final Order can be final and effective when a Master Order relating to this Final Order is signed.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant an exception to Statewide Rule 32 from July 2, 2018 to July 2, 2020 of maximum 12,500 MCF per month for the H.M. Phillips State Sec. 9-4, Well No. 94-H in the Ford West (Wolfcamp) Field, Culberson County, Texas as requested by PDC Permian, Inc.

Respectfully submitted,



Petar Buva
Technical Examiner



Jennifer N. Cook
Administrative Law Judge