



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0314716

APPLICATION OF EP ENERGY E&P COMPANY (253385) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS CENTRAL PRODUCTION FACILITIES IN THE EAGLEVILLE (EAGLE FORD-1) FIELD, DIMMIT AND LA SALLE COUNTIES, TEXAS

HEARD BY: Robert Musick, P.G. – Technical Examiner
Jennifer Cook - Administrative Law Judge

HEARING DATE: October 23, 2018

CONFERENCE DATE: January 23, 2019

APPEARANCES:

REPRESENTING:

APPLICANT:

Mark Hanna
Matt Immel

EP Energy E&P Company

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

EP Energy E&P Company (253385) ("E&P") seeks an exception to 16 TAC §3.32 for the leases, wells and associated flare points in their Application for the Eagleville (Eagle Ford-1) Field, Dimmit and La Salle Counties, Texas.

E&P is requesting flaring authority for the leases and their associated flare points for a two-year period through a Final Order. All leases have previously been granted an exception through the issuance of a Final Order. The two-year flaring authority through a proposed Final Order is requested to flare casinghead gas for routine maintenance periods or sales line unavailability.

The E&P Application is unopposed, and the Technical Examiner and Administrative Law Judge (collectively "Examiners") recommend approval of the exception to Statewide Rule 32 for the leases, wells and their associated flare points.

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. E&P 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.

E&P was previously granted an exception to Statewide Rule 32, for all leases and associated flare points in Attachment A. Attachment A identifies the lease name, lease number, flare permit number, previous approved maximum flare volumes authorized and the exception period and expiring date.

To continue the flaring authority of casinghead gas after expiration of the administrative exception, E&P sent a letter dated August 17, 2018, requesting a hearing. The Hearings Division issued a Notice of Hearing to the Service List on September 26, 2018. Notice of the hearing was given to all parties entitled to notice at least ten (10) days prior to the date of the hearing.

A public hearing was held on October 23, 2018, to continue flaring authority for the leases and their associated flare points for a period of two years. Attachment B identifies the lease information, assigned flare permit numbers, the maximum flare volumes and flaring authority sought by E&P.

Testimony indicates the two-year flaring authority through a Final Order is requested to flare casinghead gas for routine maintenance periods or sales line unavailability.

E&P 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 these Final Order is signed.

The Examiners recommend the exceptions be granted.

FINDINGS OF FACT

1. The Hearings Division issued a Notice of Hearing ("Notice") to the Service List for each lease, associated wells and flare point in Attachment A of this report. Notice was given to all parties entitled to notice at least ten (10) days prior to the date of the hearing. There were no protests to the applications.
2. E&P seeks an exception to 16 TAC §3.32 for the leases, wells and associated flare points in their Application for the Eagleville (Eagle Ford-1) Field, Dimmit and La Salle Counties, Texas.
3. E&P was previously granted an exception to Statewide Rule 32, for all leases and associated flare points in Attachment A. Attachment A identifies the lease name, lease number, flare permit number, previous approved maximum flare volumes authorized and the exception period and expiring date.

4. To continue the flaring authority of casinghead gas after expiration of the administrative exception, E&P sent a letter dated August 17, 2018, requesting a hearing. The Hearings Division issued a Notice of Hearing to the Service List on September 26, 2018. Notice of the hearing was given to all parties entitled to notice at least ten (10) days prior to the date of the hearing.
5. A public hearing was held on October 23, 2018, to continue flaring authority for the leases and their associated flare points for a period of two years. Attachment B identifies the lease information, assigned flare permit numbers, the maximum flare volumes and flaring authority sought by E&P.
6. Testimony indicates the two-year flaring authority through a Final Order is requested to flare casinghead gas for routine maintenance periods or sales line unavailability.
7. E&P 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 these Final Order is signed.

CONCLUSIONS OF LAW

1. Resolution of the subject applications 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 facts and conclusions of law, the Examiners recommend the Commission enter an order granting exceptions to 16 TAC §3.32 for the leases, wells and associated flare points in EP's Application for the Eagleville (Eagle Ford-1) Field, Dimmit and La Salle Counties, Texas.

Respectfully submitted,



Robert Musick, P.G.
Technical Examiner



Jennifer Cook
Administrative Law Judge

Attachment A – Previous Authorized Flaring Authority

Lease Name Central Process Facility	Lease No.	Flare Permit No.	Maximum Daily Flaring Volume (MCF/Day)	Administrative Flaring Period and Flare Authority Expiring Date	
Hinojosa CPF	CP 5794 16010 16887	15993	7,000	Docket No. 01-0301280 2 Years	08/20/2018
Hixon Central CPF	CP 5796	17621	5,000	Docket No. 01-0302287 2 Years	11/18/2018
Lehman CPF	CP 5776 18619 18834 18248	18330	5,000	Docket No. 01-0303151 2 Years	12/11/2018
Newman CPF	15460 18641	17725	5,000	Docket No. 01-0302287 2 Years	11/24/2018
Ritchie Farms North CPF	15315 18432 18699	15998	7,000	Docket No. 01-0301280 2 Years	08/20/2018
Richie Farms South CPF	15315 18531 18579 18686	15997	5,000	Docket No. 01-0301282 2 Years	08/20/2018
Richie Farms Southwest CPF	15315 17793 17794 18260	15996	5,000	Docket No. 01-0301282 2 Years	08/20/2018
Scott CPF	CP5897 18425 18554 16326 16400 17295 18121 16396 18117 18120 18118 18556 17302 18119	15995	3,000	Docket No. 01-0301280 2 Years	08/20/2018

Lease Name Central Process Facility	Lease No.	Flare Permit No.	Maximum Daily Flaring Volume (MCF/Day)	Administrative Flaring Period and Flare Authority Expiring Date	
Scott North CPF	CP5791	15999	500	Docket No. 01-0301280 2 Years	08/20/2018
Storey-Altito Northwest CPF	16117, 17278 17790 17797 17814 17841 17848 17849 17850 17851 17859 18112 18362 18375 18671 18672 18717 18871 19003	17745	5,000	Docket No. 01-0302287 2 Years	11/14/2018
Storey-Altito West CPF	16117, 17278 17790 17797 17814 17841 17848 17849 17850 17851 17859 18112 18362 18375 18671 18672 18717 18871 19003	18416	5,000	Docket No. 01-0302287 2 Years	12/11/2018
Wareing CPF	CP5551 17913 18623	17726	5,000	Docket No. 01-0302287 2 Years	11/25/2018

Lease Name Central Process Facility	Lease No.	Flare Permit No.	Maximum Daily Flaring Volume (MCF/Day)	Administrative Flaring Period and Flare Authority Expiring Date	
Whitwell CPF	CP 5793 17622 17603 17605 18604 18181 18417 18470 18506 18513 18514 18515 18516 18568 18695 19061	15994	3,000	Docket No. 01-0301280 2 Years	08/20/2018

Note: *NA = Not Applicable*
MCF/Day = Thousand Cubic Feet Per Day
CP = Commingling Permit Number

ATTACHMENT B - FLARE AUTHORITY

Lease Name Central Process Facility	Lease No.	Well Nos.	Flare Permit No.	Maximum Daily Flaring Volume (MCF/Day)	Dates of Requested Flaring Authority	
					2 Year Period	
Hinojosa CPF Connected to Southcross	CP 5794 16010 16887	Oil Well with H2S	15993	7,000	08/21/2018	08/20/2020
Hixon Central CPF	CP 5796	Oil Well with H2S	17621	5,000	11/19/2018	11/18/2020
Lehman CPF	CP 5776 18619 18834 18248	Oil with H2S	18330	5,000	12/12/2018	12/11/2020
Newman CPF	15460 18641	Oil with H2S	17725	5,000	11/25/2018	11/24/2020
Ritchie Farms North CPF	15315 18432 18699	Oil with H2S	15998	7,000	08/21/2018	08/20/2020
Richie Farms South CPF	15315 18531 18579 18686	Oil with H2S	15997	5,000	08/21/2018	08/20/2020
Richie Farms Southwest CPF	15315 17793 17794 18260	Oil with H2S	15996	5,000	08/21/2018	08/20/2020
Scott CPF	CP5897 18425 18554	Oil with H2S	15995	3,000	08/21/2018	08/20/2020
Scott North CPF	CP5791	Oil with H2S	15999	500	08/21/2018	08/20/2020

Lease Name Central Process Facility	Lease No.	Well Nos.	Flare Permit No.	Maximum Daily Flaring Volume (MCF/Day)	Dates of Requested Flaring Authority	
					2 Year Period	
Storey-Altito Northwest CPF	16117, 17278 17790 17797 17814 17841 17848 17849 17850 17851 17859 18112 18362 18375 18671 18672 18717 18871 19003	Oil with H2S	17745	5,000	11/15/2018	11/14/2020
Storey-Altito West CPF	16117, 17278 17790 17797 17814 17841 17848 17849 17850 17851 17859 18112 18362 18375 18671 18672 18717 18871 19003	Oil with H2S	18416	5,000	12/12/2018	12/11/2020
Wareing CPF	CP5551 17913 18623	Oil with H2S	17726	5,000	11/26/2018	11/25/2020

Lease Name Central Process Facility	Lease No.	Well Nos.	Flare Permit No.	Maximum Daily Flaring Volume (MCF/Day)	Dates of Requested Flaring Authority 2 Year Period	
Whitwell CPF	CP5793 18181 18417 18470 18506 18513 18514 18515 18516 18568 18695 19061	Oil with H2S	15994	3,000	08/21/2018	08/20/2020

Note: NA = Not Applicable
MCF/Day = Thousand Cubic Feet Per Day
CP = Commingling Permit Number