



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0313707

APPLICATION OF XTO ENERGY INC. (945936) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE WINDHAM RANCH 2 TB (FLARE PERMIT NO. 34111) IN THE SPRABERRY (TREND AREA) FIELD, MIDLAND COUNTY, TEXAS

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

HEARING DATE: October 24, 2018

CONFERENCE DATE: January 23, 2019

APPEARANCES: **REPRESENTING:**

APPLICANT:

David Gross
Dale E. Miller
Patty Urias
Sherry Pack

XTO Energy Inc.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

XTO Energy Inc. (XTO) seeks an exception to Statewide Rule 32 to flare casinghead gas associated with the Windham Ranch 2 TB in the Spraberry (Trend Area) Field (Field No. 85280300) in Midland County, Texas. The Windham Ranch 2 (41677) Lease shares a flare point (Commingled Permit No. 08-6698) with the Windham Ranch 11 (42161) Lease. The current SWR 32 Flaring Permit No. 34111 expired on July 28, 2018.

XTO requests flaring authorization for the Windham Ranch 2 TB commingled flare point. XTO is seeking to flare casinghead gas volumes of 300 thousand cubic feet per day ("MCF/Day") from July 29, 2018 through July 28, 2020, for a two-year period. The 2-year flaring authority is for periods of routine maintenance or sales line unavailability.

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 commingled flare point.

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. XTO seeks emergency flaring relief pursuant to Statewide Rule 32(f)(1)(B), 32(f)(1)(C) and 32(h)(4), as follows:

A flaring exception is required if you flare for more than 72 hours in one calendar month or if you flare for a period of time exceeding 24 hours in one calendar month.

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.

XTO was granted an administrative exception to Statewide Rule 32, for the Windham Ranch 2 TB commingled flare point through Permit No. 34111. The administrative exception was for a 60-day period, expiring on July 28, 2018, with an authorized flare volume of 300 MCF/Day.

To continue the flaring authority of casinghead gas, XTO filed a letter dated July 23, 2018, requesting a hearing to be conducted to seek continued flaring authority for the Windham Ranch 2 TB, commingled flare point. The Hearings Division issued a notice of Hearing to all the offset Operators on the Service List on September 26, 2018, and a public hearing was held on October 24, 2018. At the hearing, XTO requested flaring authority of 300 MCF/Day for two years, from July 29, 2018 to July 28, 2020.

Testimony at the hearing indicate the leases and wells associated with Windham Ranch 2 TB are connected to a DCP Operating Company, LP gas transmission line. The wells will only require flaring during periods of routine maintenance, equipment malfunction, upset events, and during sales line unavailability.

XTO 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 provided to all offset operators at least ten (10) days prior to the date of the hearing and no protests were received.
2. XTO Energy Inc. (XTO) seeks an exception to Statewide Rule 32 to flare casinghead gas associated with the Windham Ranch 2 TB in the Spraberry (Trend Area) Field (Field No. 85280300) in Midland County, Texas.

3. The Windham Ranch 2 Lease and the Windham Ranch 11 Lease share a commingled flare point (Commingled Permit No. 08-6698) near the Windham Ranch 2 TB.
4. XTO was granted an administrative exception to Statewide Rule 32, for the Windham Ranch 2 TB commingled flare point through SWR 32 Permit No. 34111. The permit was for a 60-day period, expiring July 28, 2018, with an authorized flare volume of 300 MCF/Day.
5. XTO filed a letter dated July 23, 2018, requesting a hearing to be conducted to seek continued flaring authority for the Windham Ranch 2 TB, commingled flaring point.
6. The Hearings Division issued a Notice of Hearing to the Service List on September 26, 2018.
7. A public hearing was held on October 24, 2018.
8. XTO is seeking a flaring authority of 300 MCF/Day for two-years, from July 29, 2018 to July 28, 2020.
9. Testimony at the hearing indicate the wells associated with Windham Ranch 2 TB are connected to a DCP Operating Company, LP gas transmission line. The wells will only require flaring during periods of routine maintenance, equipment malfunction, upset events, and during sales line unavailability.
10. XTO 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.

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 facts and conclusions of law, the Examiners recommend that the Commission grant the exception to Statewide Rule 32 for the Windham Ranch 2 TB commingled flare point with flaring authority of 300 MCF/Day for two-years, from July 29, 2018 to July 28, 2020.

Respectfully submitted,



Robert Musick, P.G.
Technical Examiner



Jennifer Cook
Administrative Law Judge