



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0315955

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APPLICATION OF PDC PERMIAN, INC. (646832) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS LEASES, VARIOUS WELLS, PHANTOM (WOLFCAMP), AND FORD, WEST (WOLFCAMP) FIELDS, REEVES AND CULBERSON COUNTIES, TEXAS

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**HEARD BY:** Petar Buva – Technical Examiner  
Kristi M. Reeve – Administrative Law Judge

**HEARING DATE:** December 19, 2018

**CONFERENCE DATE:** February 5, 2018

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:** PDC Permian, Inc.

Kelly Kenney, Attorney  
Collin Placke, Engineer, PDC Permian, Inc.  
Sydney Smith, Regulatory Technician, PDC Permian, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

PDC Permian, Inc. (646832) ("PDC") is requesting a Statewide Rule 32 flaring exception for various leases, in the Phantom (Wolfcamp) and Ford, West (Wolfcamp) Fields, Reeves and Culberson Counties, Texas. These leases have been granted authority to flare, Oil and Gas Docket No. 08-0307051. Since that Order was signed, the wells on the leases have been reclassified from oil to gas wells, thus and a new order is required. Notice of the application was provided to offset operators in the field and no protests were received. The application is unopposed, and the Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of a Statewide Rule 32 exception for the various leases as requested by PDC.

**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 a flaring exception, or flaring exception renewal required by this section.

PDC filed a hearing request on October 15, 2018. PDC requests an exception to Statewide Rule 32 for following time periods and rates:

Well Name	Lease Number	Effective Date	Expiration Date	Volume MCF/month
HSS State 45-17x20, Well No. 1H	279181	12/19/2018	12/19/2020	2,500
Greenwich 57-3142, Well No. 3H	283333	12/19/2018	12/19/2020	10,000
Greenwich 57-3142, Well No. 4H	283407	12/19/2018	12/19/2020	8,500
Kenosha 4441, Well No. 1H	283584	12/19/2018	12/19/2020	4,000

The subject wells had flaring authority under the Oil and Gas Docket No. 08-0307051, effective February 27, 2018. On September 18, 2018 Oil and Gas Docket No. 08-0308425 permanently classified the subject wells as gas wells, and as such a new flaring authorization for gas wells is required. The subject wells are connected to a sales line. The wells are in a remote portion of Reeves and Culberson Counties and the operator cannot always react to the upset conditions, such as compression issues, in a timely manner. Therefore, PDC requests flaring authority during upset conditions, line unavailability, or routine maintenance.

PDC 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 October 15, 2018, the Commission received a hearing request from PDC for an exception to Statewide Rule 32 for various wells in the Phantom (Wolfcamp) Field, Reeves and Culberson Counties Texas.
3. PDC requests an exception to Statewide Rule 32 in the application for a period of two years from December 19, 2018 through December 19, 2020 to flare a maximum monthly volumes listed in the Attachment 1.

4. The subject wells had flaring authority under the Oil and Gas Docket No. 08-0307051, effective February 27, 2018.
5. The subject wells have been permanently classified as gas wells under the Oil and Gas Docket No. 08-0308425, effective September 18, 2018.
6. The requested Rule 32 exception is necessary to avoid the curtailment of gas production by reducing production or shutting in a well, which would result in mechanical difficulties and/or the reduction of ultimate recovery from the reservoir.
7. PDC agreed in writing or on the record 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. The requested authority to flare 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 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 for various leases from December 19, 2018 through December 19, 2020 for monthly volumes listed in the Attachment 1, in the Phantom(Wolfcamp) Field, Reeves and Culberson Counties, Texas, as requested by PDC Permian , Inc.

Respectfully submitted,

  
Petar Buva  
Technical Examiner

  
Kristi M. Reeve  
Administrative Law Judge

**Attachment 1**

<b>Well Name</b>	<b>Lease Number</b>	<b>Effective Date</b>	<b>Expiration Date</b>	<b>Volume MCF/month</b>
HSS State 45-17x20, Well No. 1H	279181	12/19/2018	12/19/2020	2,500
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