



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0316364

APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR GINGER 29 LEASE, WELL NO. 1H, PHANTOM (WOLFCAMP) FIELD, LOVING COUNTY, TEXAS

HEARD BY: Petar Buva – Technical Examiner
Lynn Latombe – Administrative Law Judge

HEARING DATE: January 22, 2019
CONFERENCE DATE: February 26, 2018

APPEARANCES: **REPRESENTING:**

APPLICANT: WPX Energy Permian, LLC

Bill Spencer (Attorney)
James Clark (Engineer)

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

WPX Energy Permian, LLC (942623) ("WPX") is requesting a Statewide Rule 32 exception for the Ginger 29 Lease, Well No. 1H, in the Phantom (Wolfcamp) Field, Loving County, Texas. 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 Well No. 1H as requested by WPX.

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.

The Commission received a hearing request for a Statewide Rule 32 exception for Well No. 1H on November 12, 2018. WPH has been flaring Well No. 1H under the Flaring

Permit No. 34019, effective March 31, 2018 through September 29, 2018, and a maximum flaring volume of 400 thousand cubic feet ("MCF") per day of casinghead gas.

WPX seeks authorization to flare up to 400 MCF of casinghead gas per day from the flare point associated with Well No. 1H from January 1, 2019 through January 1, 2021. The well is connected to a sales line and the flaring will be limited to occasional upset conditions. Curtailment of gas production by reducing production or shutting in the well would result in mechanical difficulties and/or reduction of ultimate recovery from the reservoir.

WPX 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. The Commission received a hearing request on November 12, 2018 for a Statewide Rule 32 exception for the flare point associated with Well No. 1H.
3. WPX requests an exception to Statewide Rule 32 for the flare point associated with Well No. 1H for a period of two years from January 1, 2019 through January 1, 2021 to flare a maximum of 400 MCF of casinghead gas per day.
4. WPX was granted Flaring Permit No. 34019, effective March 31, 2018 through September 29, 2018 to flare a maximum of 400 MCF per day of casinghead gas for the flare point associated with Well No. 1H.
5. The requested Rule 32 Exception is necessary to avoid curtailment of gas production by reducing production or shutting in well, which would result in mechanical difficulties and/or reduction of ultimate recovery from the reservoir.
6. WPX 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.

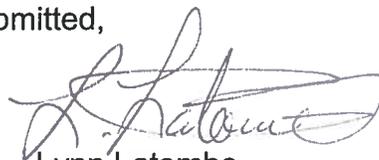
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. The requested authority to flare casinghead gas satisfies the requirements of Statewide Rule 32. 16 Tex. Admin. Code § 3.32(h).
4. Pursuant to §2001.144(a)(4)(A) of the Texas Government Code and by 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 January 1, 2019 through January 1, 2021 of maximum 400 MCF per day for the for Gineger 29 Lease, Well No. 1H, in the Phantom (Wolfcamp) Field, Loving County, Texas as requested by WPX Energy Permian, LLC.

Respectfully submitted,


Petar Buva
Technical Examiner


Lynn Latombe
Administrative Law Judge