

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0318142

**APPLICATION OF WPX ENERGY PERMIAN, LLC (942623) FOR AN EXCEPTION TO
STATEWIDE RULE 32 FOR THE COVINGTON 46 LEASE, WELL NOS. 9H, 10H, AND
11H, PHANTOM (WOLFCAMP) FIELD, REEVES COUNTY, TEXAS**

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after notice in the above-docketed case was provided to all parties entitled to notice, a hearing was heard on May 1, 2019, by a Commission Technical Examiner and Administrative Law Judge. This proceeding was duly submitted to the Commission at a conference held in its offices in Austin, Texas. After considering this matter, the Commission adopts the following findings of fact and conclusions of law.

Findings of Fact

1. WPX Energy Permian, LLC ("WPX" or "Applicant") seeks a two-year exception to Statewide Rule 32 for authority to flare a maximum of 650 thousand cubic feet per day ("Mcf/d") of gas from February 8, 2019, through February 8, 2021, from a single flare point for the Covington 46 Lease ("Lease"), in the Phantom (Wolfcamp) Field, Reeves County, Texas.
2. WPX submitted a request for hearing on the Statewide Rule 32 exception flaring authority on February 8, 2019.
3. The Commission granted an administrative exception to Statewide Rule 32 to flare a maximum gas volume of 950 Mcfd from the Lease due to high line pressure. This administrative flaring authority (Permit No. 34345) expired on November 19, 2018.
4. On March 22, 2019, the Hearings Division of the Commission sent a Notice of Hearing ("Notice") to Applicant and all offsetting operators in the field setting a hearing date of May 1, 2019. The Notice met the requirements of 16 Tex. Admin. Code § 3.32(a) and (b). No protests to the application were received. Only Applicant appeared and participated at the May 1, 2019 hearing.
5. On May 2, 2019, the Commission sent a Notice of Hearing to an offset operator excluded from the initial Notice, Tall City Brine, LLC, who did not protest the application.

6. The gas pipeline that takes the Lease gas does not always have the capacity to take 100% of the produced gas due to high line pressure.
7. Based on a production decline curve, the estimated volume of gas to be flared would be a maximum of 650 Mcfd.
8. The requested Statewide Rule 32 exception to flare a maximum of 650 Mcfd of gas is necessary for WPX to produce the hydrocarbon liquids from the Lease.
9. WPX agreed that the Final Order in this case is to be final and effective when a Master Order relating to this Final Order is signed.

Conclusions of Law

1. Proper notice was issued to persons entitled to notice. TEX. GOV'T CODE § 2001.051; 16 Tex. Admin. Code §§ 1.42, 1.45.
2. The Commission has jurisdiction in this case. TEX. NAT. RES. CODE § 81.051.
3. WPX meets the requirements in Statewide Rule 32 to flare a maximum of 650 Mcfd of gas and the flaring of such gas is necessary.
4. This Final Order is final and effective on the date a Master Order relating to this Final Order is signed. TEX. GOV'T CODE § 2001.144(a)(4)(A).

Ordering Provisions

It is **ORDERED** that WPX Energy Permian, LLC (942623), Inc. be granted a two-year exception to Statewide Rule 32. Its request for authority to flare a maximum of 650 Mcfd, limited to 19,500 Mcf per month, of gas from the Lease from February 8, 2019 through February 8, 2021, as reflected in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. WPX shall file the Statewide Rule 32 Exception Data Sheet and, shall file at the same time, the required fee for a Statewide Rule 32 exception for each individual flare point on the Lease. See 16 Tex. Admin. Code § 3.32(h)(1).

Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code and the agreement of the applicant in writing or on the record, **the party has waived the right to file a motion for rehearing and the Final Order in this case is final and effective on the date the Master Order relating to the Final Order is signed.**

Signed on June 18, 2019

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Division's Unprotested Master Order dated June 18, 2019)

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Permit No.	Commingled Permit No. (If Applicable)	Lease Name, Individual Flare Stacks	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcf/d & Mcf/m)	Casinghead Gas or Gas Well Gas
34345	8164	Covington 46 Central Flare	February 8, 2019	February 8, 2021	650 Mcfd 19,500 Mcfm	Gas Well Gas

Note: **Mcf/d = Thousand Cubic Feet Per Day**
 Mcf/m = Thousand Cubic Feet Per Month