

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 01-0318478

**APPLICATION OF CARRIZO (EAGLEFORD) LLC (135316) FOR AN EXCEPTION TO
STATEWIDE RULE 32 FOR THE IRVIN NORTH 550 FACILITY, EAGLEVILLE (EAGLE
FORD-1) FIELD, LASALLE 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 June 13, 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. Carrizo (Eagleford) LLC ("Carrizo") seeks a two-year exception to Statewide Rule 32 ("Statewide Rule 32") for authority to flare a maximum of 12,500 thousand cubic feet per day ("Mcf/d"), limited to 375,000 thousand cubic feet per month ("Mcfm"), of casinghead gas from April 23, 2019, to April 22, 2021, from the flare stack located at the Irvin North 550 Central Production Facility ("CPF"), subject to commingling permit number 01-6132, in the Eagleville (Eagle Ford-1) Field, La Salle County, Texas.
2. Carrizo submitted a request for hearing on the Statewide Rule 32 exception flaring authority on February 26, 2019.
3. Carrizo was previously granted an administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume of 5,400 Mcfd under Flare Permit No. 39716, expiring April 22, 2019.
4. On May 10, 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 June 13, 2019. Consequently, the parties received more than 10 days' notice. The Notice contains (1) a statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted. The hearing was held on June 13, 2019, as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. The Irvin North 550 CPF collects production from three leases; the Irvin East (15575) Lease, the Irvin J Unit (17484) Lease, and the Irvin West (17695) Lease.
6. The three leases being served by the Irvin North 550 CPF are currently developed by twenty (20) horizontal wells with an average casinghead gas deliverability of 445 Mcfd.
7. Carrizo will further develop the three leases with eight (8) horizontal wells with an expected average casinghead deliverability of 500 Mcfd per well.
8. Restrictions in the CFP's connected sales line and circumstances that lead to CFP's compressor downtime result in the need to flare casinghead gas at the CFP, from time to time.
9. Based on the current casinghead gas deliverability and the projected casinghead gas deliverability from eight (8) new horizontal wells over the next two-year period, the volume of casinghead gas to be flared would be a maximum of 12,500 Mcfd, limited to 375,000 Mcfm.
10. The requested Statewide Rule 32 exception to flare a maximum of 12,500 Mcfd, limited to 375,000 Mcfm, of casinghead gas is necessary for Carrizo to produce the recoverable oil from the three leases served by the Irvin North 550 CPF.
11. At the hearing, Carrizo agreed on the record that the Final Order in this docketed 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. *See, e.g.,* Tex. Gov't Code § 2001.051; 16 Tex. Admin. Code §§ 1.42, 1.45.
2. The Commission has jurisdiction in this case. *See, e.g.,* Tex. Nat. Res. Code § 81.051.
3. Statewide Rule 32 requires gas to be utilized for purposes and uses authorized by law. 16 Tex. Admin. Code § 3.32(b).
4. Statewide Rule 32 provides exceptions allowing the flaring of gas if certain requirements are met and the flaring is necessary. *See, e.g.,* 16 Tex. Admin. Code § 3.32(f), (h).

5. Carrizo has met the requirements in Statewide Rule 32 to flare a maximum of 12,500 Mcfd, limited to 375,000 Mcfm, of casinghead gas and the flaring of such gas is necessary.
6. 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.

Ordering Provisions

It is **ORDERED** that Carrizo is granted a two-year exception to Statewide Rule 32. Its request for authority to flare a maximum of 12,500 Mcfd, limited to 375,000 Mcfm, of casinghead gas from the flare stack located at the Irvin North 550 Central Production Facility, operated under commingling permit no. 01-6132, in the Eagleville (Eagle Ford-1) Field, La Salle County, Texas from April 23, 2019, to April 22, 2021, as reflected in attached Attachment A, is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Carrizo 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. 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 parties in writing or on the record, **the parties have 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 August 6, 2019.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotected Master
Order dated August 6, 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
39716	01-6132	Irvin North 550 Central Production Facility	April 23, 2019	April 22, 2021	12,500 Mcfd 375,000 Mcfm	Casinghead Gas

Note:

Mcf/d = Thousand Cubic Feet Per Day

Mcf/m = Thousand Cubic Feet Per Month