

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0320365

APPLICATION OF NOBLE ENERGY INC (611665) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE COLLIER GATHERING FACILITY, CORONADO GATHERING FACILITY, AND LONGORIA 11 (47189) LEASE, WELL NOS. 2H AND 3H, HOEFS T-K (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 June 26, 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. Noble Energy Inc. ("Noble") seeks three two-year exceptions to Statewide Rule 32 ("Statewide Rule 32") for authority to flare a maximum of 1000 thousand cubic feet per day ("Mcf"), 2500 Mcfd and 1200 Mcfd of casinghead gas, from the flare stacks located at the Collier Central Gathering Facility, Coronado Central Gathering Facility and the Longoria 11 Lease, respectively, in the Hoefs T-K (Wolfcamp) Field, Reeves County, Texas.
2. Noble submitted a request for hearing on the Statewide Rule 32 exception flaring authority on May 20, 2019.
3. Noble was previously granted three administrative exceptions to Statewide Rule 32 to flare a maximum casinghead gas volume of 723 Mcfd, 1539 Mcfd, 1383 Mcfd from the leases under Flare Permit No. 37580, 37579, 36986 expiring June 30, 2019, May 14, 2019, and May 31, 2019, respectively, from the Collier Central Gathering Facility, Coronado Central Gathering Facility and the Longoria 11 Lease.
4. On May 28, 2019 the Hearings Division of the Commission sent a Notice of Hearing ("Notice") to the Applicant and all offsetting operators in the field setting a hearing date of June 26, 2019. At the hearing, it was brought to the Administrative Law Judge and Technical Examiner's attention that the Notice caption incorrectly labeled the Longoria 11 Lease as a central gathering facility. A 10-day letter was issued on July 10, 2019 correcting the caption. 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 26, 2019, as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. The Collier Central Gathering Facility is commingled pursuant to Comminling Permit No. 08-8623.
6. The Coronado Central Gathering Facility is commingled pursuant to Comminling Permit No. 08-8408.
7. The gas from the leases is gathered and purchased by ETC/Regency Intrastate Gas LP ("Regency").
8. Restrictions in capacity and intermittent interruptions result in Regency's pipeline not being able to take 100% of the leases' gas production.
9. Based on a table of historic lease gas disposition, the estimated volume of gas well gas to be flared would be a maximum of 1000 Mcfd, 2500 Mcfd and 1200 Mcfd.
10. The requested Statewide Rule 32 exceptions to flare a maximum of 1000 Mcfd, 2500 Mcfd and 1200 Mcfd of casinghead gas is necessary for Noble to produce the recoverable hydrocarbon liquids from the leases.
11. At the hearing, Noble 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 unless authorized. 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. Noble has met the requirements in Statewide Rule 32 to flare a maximum of 1000 Mcfd, 2500 Mcfd and 1200 Mcfd 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 Noble Energy Inc. (611665) is granted three two-year exceptions to Statewide Rule 32. Its request for authority to flare a maximum of 1000 Mcfd, 2500 Mcfd and 1200 Mcfd of casinghead gas from the flare stacks located on the Collier Central Gathering Facility, Coronado Central Gathering Facility, and the Longoria 11 (47189) Lease, as reflected in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Noble 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 Collier Central Gathering Facility, Coronado Central Gathering Facility, and the Longoria 11 (47189) 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 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 Aug 6, 2019.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated Aug 6, 2019)**

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Permit No.	Commingle Permit No. (If Applicable)	Lease Name, Individual Flare Stacks	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcf/d & Mcfm)	Casinghead Gas or Gas Well Gas
37580	08-8623	Collier CGF	7-1-2019	7-1-2021	1000 Mcfd	Casinghead Gas
37579	08-8408	Coronado CGF	5-20-2019	5-20-2021	2500 Mcfd	Casinghead Gas
36986	NA	Longoria 11 Lease (47189)	6-1-2019	6-1-2021	1200 Mcfd	Casinghead Gas

Note:
Mcf/d = Thousand Cubic Feet per Day