

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 7C-0320853

**APPLICATION OF ENDEAVOR ENERGY RESOURCES L.P. (251726) FOR AN
EXCEPTION TO STATEWIDE RULE 32 FOR THE KENNETT SHERROD 42-43 UNIT 2
LEASE, SPRABERRY (TREND AREA) FIELD, UPTON 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 August 28, 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. Endeavor Energy Resources L.P. ("EER" or "Applicant") seeks a 112-day exception to Statewide Rule 32 for authority to flare a maximum of 4,100 thousand cubic feet per day ("Mcf") of casinghead gas from April 24, 2019, to August 13, 2019, from a flare point for the Kennett Sherrod 42-43 Unit 2 Lease, ("Lease"), Spraberry (Trend Area) Field, Upton County, Texas.
2. EER submitted a request for hearing for the Statewide Rule 32 exception on June 12, 2019.
3. EER was previously granted an administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume of 4,000 Mcfd from the lease for 60 days from December 23, 2018, to February 21, 2019, and then EER was granted an administrative extension to flare a maximum casinghead gas volume of 5,000 Mcfd from the Lease for 60 days from February 22, 2019, to April 23, 2019. This administrative flaring authority (Permit No. 37835) expired on April 23, 2019. A potential additional 60 days of administrative exception authority that would have provided an administrative exception through the time of the request for hearing was not requested due to an administrative oversight.
4. On August 1, 2019, the Hearings Division of the Commission sent a Notice of Hearing ("Notice") to the Applicant and offsetting operators in the field setting a hearing date of August 28, 2019. The hearing was held on August 28, 2019, as noticed. Applicant appeared and participated at the hearing. No protest was received.

5. Gas from the wells at this flare point is being taken by West Texas Gas, Inc. ("WTG"), which was delayed by landowner issues with installation of its line. Partial takes began March 3, 2019, when the line was installed, but takes were curtailed and limited by lack of adequate line compression. WTG installed compression facilities, and capacity was increased, with curtailment ending August 13, 2019. Flaring authority is requested for past flaring through August 13, 2019 only; no future flaring authority is requested.
6. The requested Statewide Rule 32 exception to flare a maximum of 4,100 Mcfd of casinghead gas from April 24, 2019, through August 13, 2019, is necessary for EER to produce the recoverable oil from the Lease.
7. At the hearing, EER 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. EER has met the requirements in Statewide Rule 32 to flare a maximum of 4100 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 Endeavor Energy Resources L.P. (251726) is granted a 112-day exception to Statewide Rule 32. EER's request for authority to flare a maximum of 4100 Mcfd of casinghead gas from the Lease from April 24, 2019, to August 13, 2019, as reflected in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. EER 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 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 October 22, 2019

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated October 22, 2019)**

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Permit No.	Commingle Permit No. or Lease No. (If Applicable)	Lease Name, Individual Flare Stacks	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcf/d)	Casinghead Gas or Gas Well Gas
37835	20188	Kennett Sherrod 42- 43 Unit 2	4/24/2019	8/13/2019	4100 Mcfd	Casinghead Gas

Note: Mcfd = Thousand Cubic Feet Per Day