

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0320554

APPLICATION OF XTO ENERGY, INC. (945936) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR FORTY-THREE FLARE POINTS IN THE FULLERTON CLEARFORK UNIT (01770) LEASE, FULLERTON FIELD, ONE FLARE POINT IN THE WILSON -B- (31066) LEASE, FULLERTON (DEVONIAN) FIELD, ANDREWS COUNTY, TEXAS

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after a joint notice of hearing in the above-docketed case was provided to all parties entitled to notice, a hearing was held 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. XTO Energy, Inc. ("XTO") requested a two-year exception to Statewide Rule 32 ("SWR 32") from November 21, 2019 to November 20, 2021, for authority to flare a maximum of 10,075 thousand cubic feet per day ("Mcf/d"), limited to 312,325 thousand cubic feet per month ("Mcfm"), of casinghead gas from the forty-three (43) flare points located in the Fullerton Clearfork Unit (01770) Lease, Fullerton Field and 150 Mcfd limited to 4,650 Mcfm, of casinghead gas from the one (1) flare point located in the Wilson -B- (31066) Lease, Fullerton (Devonian Field, Andrews County, Texas.
2. XTO submitted a request for hearing on the SWR 32 exception flaring authority on May 29, 2019.
3. XTO was previously granted an exception to SWR 32 in Oil and Gas Docket No. 08-0306338 to flare a maximum casinghead gas volume of 13,650 Mcfd from the forty-three (43) flare points located in the Fullerton Clearfork Unit Lease, Fullerton Field and 150 Mcfd, from the one (1) flare point located in the Wilson -B- Lease, Fullerton (Devonian Field, Andrews County, Texas, expiring November 20, 2019.
4. On August 1, 2019 the Hearings Division of the Commission sent a Joint Notice of Hearing ("Notice") to Applicant and all offsetting operators in the field setting a hearing date of August 28, 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 August 28, 2019 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. The Fullerton Clearfork Unit Lease is a secondary recovery waterflood unit comprised of 563 producing wells, 358 injection wells and 233 shut-in wells.
6. The Wilson -B- Lease is comprised of five (5) oil wells.
7. The casinghead gas from the Fullerton Clearfork Unit Lease and the Wilson -B- Lease (the "Two Leases") is gathered and purchased by DCP Operating Company, LP ("DCP").
8. Systems upsets due to maintenance, equipment failures and weather-related events on the DCP system have caused periodic and partial curtailment of the delivery of casinghead gas produced from the Two Leases into the DCP system.
9. During events of periodic and partial curtailment on the DCP system, the curtailed volumes of produced casinghead gas from the Two Leases are diverted to flare stacks for combustion disposal.
10. Since January 2017, the maximum reported daily volumes of casinghead gas produced from the Fullerton Clearfork Unit Lease is approximately 10,075 Mcf.
11. Since January 2017, the maximum reported monthly volumes of casinghead gas flared from the Fullerton Clearfork Unit Lease is 60,916 Mcf.
12. Since January 2017, the maximum reported daily volumes of casinghead gas produced from the Wilson -B- Lease is approximately 150 Mcf.
13. Since January 2017, the maximum reported monthly volumes of casinghead gas flared from the Wilson -B- Lease is 772 Mcf.
14. The requested SWR 32 exception to flare casinghead gas is necessary for XTO to produce the recoverable hydrocarbon liquids from the Two Leases during events of periodic and partial curtailment on the DCP system.
15. At the hearing, XTO 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. SWR 32 requires gas to be utilized for purposes and uses authorized by law unless authorized. 16 Tex. Admin. Code § 3.32(b).
4. SWR 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. XTO has met the requirements in SWR 32 to flare 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 XTO Energy, Inc. (945936) is granted a two-year exception to Statewide Rule 32. Its request for authority to flare casinghead gas from the forty-three (43) flare stacks located Fullerton Clearfork Unit Lease and from the one (1) flare stack located in the Wilson -B- Lease, from November 21, 2019 to November 20, 2021, as reflected in attached Attachment A, is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. XTO 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 at the Fullerton Clearfork Unit Lease and the Wilson -B- 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 December 17, 2019

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated December 17, 2019)**

ATTACHMENT A
Fullerton Clearfork Unit Lease

Flare Point	Flare Permit Number	Flare Location/System Name	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcf/d)	Casinghead or Gas Well Gas
1	25389	FCU S/B 200-1	11/21/2019	11/20/2021	180	Casinghead
2	25390	FCU S/B 200-2	11/21/2019	11/20/2021	100	Casinghead
3	25388	FCU S/B 200-3	11/21/2019	11/20/2021	320	Casinghead
4	25387	FCU S/B 200-4	11/21/2019	11/20/2021	210	Casinghead
5	24197	FCU S/B 200-5	11/21/2019	11/20/2021	505	Casinghead
6	25386	FCU S/B 201-1	11/21/2019	11/20/2021	210	Casinghead
7	25385	FCU S/B 201-1A	11/21/2019	11/20/2021	260	Casinghead
8	25384	FCU S/B 201-2	11/21/2019	11/20/2021	330	Casinghead
9	24192	FCU S/B 201-3	11/21/2019	11/20/2021	500	Casinghead
10	24194	FCU S/B 201-4	11/21/2019	11/20/2021	510	Casinghead
11	25383	FCU S/B 202-1	11/21/2019	11/20/2021	315	Casinghead
12	25382	FCU S/B 202-3	11/21/2019	11/20/2021	500	Casinghead
13	25381	FCU S/B 202-4	11/21/2019	11/20/2021	280	Casinghead
14	24196	FCU S/B 202-5	11/21/2019	11/20/2021	630	Casinghead
15	24198	FCU S/B 202-6	11/21/2019	11/20/2021	575	Casinghead
16	25380	FCU S/B 203-2	11/21/2019	11/20/2021	150	Casinghead
17	25379	FCU S/B 203-6	11/21/2019	11/20/2021	250	Casinghead
18	25376	FCU S/B 203-7	11/21/2019	11/20/2021	390	Casinghead
19	25378	FCU S/B 207-1	11/21/2019	11/20/2021	280	Casinghead
20	25377	FCU S/B 207-2	11/21/2019	11/20/2021	125	Casinghead
21	25403	FCU S/B 207-3	11/21/2019	11/20/2021	175	Casinghead
22	25402	FCU S/B 207-4	11/21/2019	11/20/2021	70	Casinghead
23	24195	FCU S/B 207-5	11/21/2019	11/20/2021	430	Casinghead
24	25401	FCU S/B 209-1	11/21/2019	11/20/2021	125	Casinghead
25	25400	FCU S/B 209-2	11/21/2019	11/20/2021	610	Casinghead
26	25399	FCU S/B 211-2	11/21/2019	11/20/2021	350	Casinghead
27	25398	FCU S/B 211-4	11/21/2019	11/20/2021	70	Casinghead
28	25397	FCU S/B 211-7	11/21/2019	11/20/2021	160	Casinghead
29	25396	FCU T/B 200	11/21/2019	11/20/2021	5	Casinghead
30	25395	FCU 200 VRU	11/21/2019	11/20/2021	65	Casinghead
31	25394	FCU T/B 201	11/21/2019	11/20/2021	50	Casinghead
32	25393	FCU T/B 201 VRU	11/21/2019	11/20/2021	135	Casinghead
33	25392	FCU T/B 202 VRU	11/21/2019	11/20/2021	50	Casinghead
34	25391	FCU T/B 207 VRU	11/21/2019	11/20/2021	80	Casinghead
35	24210	FCU T/B 202	11/21/2019	11/20/2021	90	Casinghead
36	24206	FCU T/B 206-3	11/21/2019	11/20/2021	490	Casinghead
37	24212	FCU T/B 207	11/21/2019	11/20/2021	80	Casinghead
38	24207	FCU S/B 210-2	11/21/2019	11/20/2021	170	Casinghead
39	24208	FCU S/B 211-1	11/21/2019	11/20/2021	110	Casinghead
40	24209	FCU S/B 211-3	11/21/2019	11/20/2021	80	Casinghead
41	24205	FCU S/B 200-5 VRU	11/21/2019	11/20/2021	20	Casinghead
42	24204	FCU T/B 211	11/21/2019	11/20/2021	10	Casinghead
43	24211	FCU T/B 211 VRU	11/21/2019	11/20/2021	30	Casinghead

Total Permitted Maximum Daily Lease Flare Volume 10,075 Mcfd

Total Permitted Maximum Monthly Lease Flare Volume 61,000 Mcfm

