

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. OG-19-00001323**

---

**APPLICATION OF IMPETRO OPERATING LLC (423519) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE HALEY #1 BATTERY, HALEY LEASE, WELL NOS. 1H & 2H, PHANTOM (WOLFCAMP) FIELD, LOVING & WINKLER COUNTIES, TEXAS, DISTRICT 08**

---

**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 December 6, 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. Impetro Operating LLC ("Impetro" or "Applicant") seeks a one-year exception to Statewide Rule 32 for the flaring point related to Haley #1 Battery, Well Nos. 1H and 2H, Haley Lease, Phantom (Wolfcamp) Field, Loving and Winkler Counties, Texas.
2. Impetro submitted a request for hearing on the Statewide Rule 32 exception for flaring authority on October 3, 2019.
3. On November 4, 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 December 6, 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 December 6, 2019 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.
4. At the hearing Impetro requested authority to flare 658 thousand cubic feet per day ("Mcf/d") or 19,740 thousand cubic feet per month ("Mcfm"). The requested daily flaring limit is based on the highest daily volume flared in the 90 days prior to the

hearing request. The wells are currently not connected to a pipeline and requested limits are the highest anticipated production capability for the wells.

5. Production from the Haley #1 Battery commenced in April 2019.
6. The Haley #1 Battery is currently unconnected to a pipeline gathering system. Applicant is currently negotiating a connection with a gatherer, but an agreement was not completed as of the hearing date.
7. Applicant agrees to one-year permit period as it hopes to make progress in negotiations with a gatherer. The applicant also agrees to lower daily and monthly flaring limits to 604 Mcfd and 18,120 Mcfm.
8. Well Nos. 1H and 2H are completed in the Phantom (Wolfcamp) Field and share a common flare stack pursuant to a surface commingling permit 08-8538.
9. The Commission granted prior administrative exceptions to Statewide Rule 32 at rates and time periods listed below:

Previous Flare Exception Permit No.	Commingle Permit No. (if applicable)	Flare Point Name	Previous Exception Authority Type (Admin/Final Order No.)	Previous Permit End Date	Previous Maximum Flare Volume (Mcf)	Casinghead Gas or Gas Well Gas
38972	08-8538	Haley #1 Battery	Admin.	Oct. 14, 2019	800 Mcfd	Casinghead Gas

10. Impetro 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. Impetro meets the requirements in Statewide Rule 32 to flare of casinghead gas from flaring points, rates, and time periods listed in the Attachment A.
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), be granted an exception to Statewide Rule 32 for the for the maximum volumes and time periods reflected in attached Attachment A and the request for flaring be **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Matador 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 leases. 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 February 11, 2020**

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by Hearings Division's Unprotested Master Order dated February 11, 2020)**

**ATTACHMENT A – PROPOSED FLARE EXCEPTION AUTHORITY(IES)**

<b>Permit No.</b>	<b>Commingle Permit No. (if applicable)</b>	<b>Lease Name, Individual Flare Stacks</b>	<b>Exception Start Date</b>	<b>Exception End Date</b>	<b>Maximum Flare volume (Mcf &amp; Mcfm)</b>	<b>Casinghead Gas or Gas Well Gas</b>
38972	08-8538	Haley #1 Batory	Oct. 15, 2019	Nov. 6, 2020	604 Mcfd 18,120 Mcfm	Gas well gas