

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. OG-20-00002299

**APPLICATION OF EP ENERGY E&P COMPANY L.P. (253385) FOR AN EXCEPTION
TO STATEWIDE RULE 32 FOR THE HIXON EAST CENTRAL PRODUCING FACILITY,
EAGLEVILLE (EAGLE FORD-1) FIELD, LA SALLE COUNTY, TEXAS, DISTRICT 01**

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 March 13, 2020, 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. EP Energy E&P Company, L.P. ("EP" or "Applicant") seeks a two-year exception to 16 Tex. Admin. Code § 3.32 ("SWR 32") for authority to flare 1,000 thousand cubic feet per day ("Mcf/d"), limited to 7,000 thousand cubic feet per month ("Mcfm") of casinghead gas at the Hixon East Central Production Facility flare point ("Hixon East CPF") from various commingled Leases ("Leases")(P-17 No. 6226), in the Eagleville (Eagle Ford-1) Field, in La Salle County, Texas. The request is tabulated in Attachment A.
2. EP submitted a request for hearing on the Statewide Rule 32 exception request on December 23, 2019.
3. EP was previously granted an administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume at the Hixon East CPF of 5,000 Mcfd from the Leases. EP was previously granted two, two-year exceptions to SWR 32 by final orders in Oil and Gas Docket Nos. 01-0299473 and 01-0308837.
4. On February 19, 2020 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 March 13, 2020. 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 March 13, 2020 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. The subject leases are currently selling casinghead gas via the Camino Real gas sales pipeline operated by KMI.
6. EP is requesting flaring authority at the Hixon East CPF for compressor downtime and system upsets.
7. The requested maximum daily volume and limiting monthly volume are supported by a 180-day analysis of production. The average daily commingled gas production is 3,461 Mcfd and the average monthly flared gas was 5,862 Mcf.
8. The requested Statewide Rule 32 exception to flare various volumes of casinghead gas (depicted on Attachment A) is necessary for EP to produce the recoverable oil from the subject Leases.
9. At the hearing, EP agreed on the record that this Final Order 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. EP has met the requirements in Statewide Rule 32 to flare a maximum of 1,000 thousand cubic feet per day ("Mcf"), limited to 7,000 thousand cubic feet per month ("Mcfm") of casinghead gas at the Hixon East CPF 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 EP Energy E&P Company, L.P. (253385), Inc. (“EP” or “Applicant”) is granted a two-year exception to Statewide Rule 32. Its request for authority to flare casinghead gas from one (1) flare point located at the Hixon East Central Production Facility, from January 27, 2020 to January 26, 2022, as identified in attached Attachment A is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. Within 30 days of the effective date of this order, Applicant shall file the Statewide Rule 32 Exception Data Sheet and the required fee for a Statewide Rule 32 exception for each flare point. See 16 Tex. Admin. Code § 3.32(h)(1). This order, and the authority to flare granted herein, is **VOID** if the required fee is not paid by Applicant within 30 days of the effective date of this order.

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 this Final Order is final and effective on the date the Master Order relating to this Final Order is signed.**

Signed on June 16, 2020

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Division’s Unprotested Master Order dated June 16, 2020)

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Exception No.	Commingle Permit No.	Flare Point Name	Exception Start Date	Exception End Date	Maximum Flare Volume (MCF/Day)	Comments
23146	6226	Hixon East Central Production Facility	1/27/2020	1/26/2022	1,000 Mcfd 7,000 Mcfm	Casinghead Gas

Note: Mcfd = Thousand Cubic Feet Per Day

Mcfm = Thousand Cubic Feet Per Day

Flare Point Location:

Latitude: 28.3374833° N

Longitude: 99.1218917° W