



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0284284

THE APPLICATION OF BTA OIL PRODUCERS, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS LEASES, VARIOUS WOLFCAMP AND STRAWN FIELDS, GLASSCOCK COUNTY, TEXAS

HEARD BY: Andres J. Trevino, P.E. - Technical Examiner
Laura Miles-Valdez - Legal Examiner

ER&R PREPARED BY: Richard D. Atkins, P.E. - Technical Examiner

DATE OF HEARING: September 30, 2013

APPEARANCES: **REPRESENTING:**

APPLICANT:

By Telephone:
Kyle Groves

BTA Oil Producers, LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

BTA Oil Producers, LLC ("BTA") requests an exception to Statewide Rule 32 to flare casinghead gas from the leases shown in Attachment A, Various Wolfcamp and Strawn Fields, Glasscock County, Texas. Notice was provided to offset operators surrounding the above referenced leases and no protests were received.

The application is unprotested and the examiners recommend approval of the exception to Statewide Rule 32 to flare casinghead gas from the subject leases from the date the administratively granted flare permit expired through October 31, 2013.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Specifically, Statewide Rule 32(h) provides that an exception to flare natural gas in volumes greater than 50 MCFGPD per

well may be granted administratively for a period up to 180 days. Beyond that, Statewide Rule 32(h) provides that exceptions shall be granted only in a final order signed by the Commission. In the context of the subject application, BTA is requesting an exception to flare casinghead gas produced from the subject leases, as provided by Statewide Rule 32(h).

Casinghead gas for the subject leases is gathered by DCP Midstream ("DCP") and transported to the Blalock and South Blalock Booster stations, which discharge gas into the "O" high pressure pipeline. On February 25, 2013, DCP experienced a blow out on the "O" high pressure pipeline forcing a shut-in of the booster stations for safety reasons until the pipeline could be repaired.

BTA received administrative Permit No. 13396 to flare 482 MCFPD of casinghead gas from the subject leases. The permit was effective February 25, 2013, and expired on August 25, 2013, after one extension, which totaled the maximum 180 days allowed by an administrative permit. An operator is considered temporarily compliant with Statewide Rule 32 until final Commission action on the hearing application if it has requested a hearing prior to the expiration of the administratively granted flare permit.

BTA has requested a hearing for the subject leases before the administratively granted flare permit expired. To allow DCP time for the completion of repairs to the "O" high pressure pipeline, BTA requests an exception to flare a maximum of 482 MCFPD of casinghead gas from the subject leases from the expiration of the administratively granted flare permit through October 31, 2013.

FINDINGS OF FACT

1. Proper notice of this hearing was given at least ten (10) days prior to the date of hearing and no protests to the application were received.
2. Casinghead gas for the subject leases is gathered by DCP Midstream ("DCP") and transported to the Blalock and South Blalock Booster stations, which discharge gas into the "O" high pressure pipeline.
3. On February 25, 2013, DCP experienced a blow out on the "O" high pressure pipeline forcing a shut-in of the booster stations for safety reasons until the pipeline could be repaired.
4. Statewide Rule 32(h) stipulates that the Commission may administratively grant an exception to Statewide Rule 32 for a period no greater than 180 days.
5. BTA Oil Producers, LLC ("BTA") received administrative Permit No. 13396 to flare 482 MCFPD of casinghead gas from the subject leases. The permit was effective February 25, 2013, and expired on August 25, 2013, after one

extension, which totaled the maximum 180 days allowed by an administrative permit.

6. An operator is considered temporarily compliant with Statewide Rule 32 until final Commission action on the hearing application if it has requested a hearing prior to the expiration of the administratively granted flare permit.
7. BTA has requested a hearing for the subject leases before the administratively granted flare permit expired.
8. An exception to Statewide Rule 32 from the date the administratively granted flare permit expires through October 31, 2013, for the subject leases to flare casinghead gas is appropriate.
9. For the subject leases, BTA requests to flare a maximum of 482 MCFPD of casinghead gas.

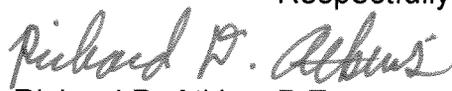
CONCLUSIONS OF LAW

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested authority pursuant to Statewide Rule 32 will prevent waste, will not harm correlative rights and will promote development of the field.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission approve an exception to Statewide Rule 32 from the date the administratively granted flare permit expired through October 31, 2013, for the subject leases, as requested by BTA Oil Producers, LLC.

Respectfully submitted,


Richard D. Atkins, P.E.
Technical Examiner


Laura Miles Valdez
Legal Examiner

O&G Docket No.

08-0284284

Attachment A

Attachment to SWR 32 Request for Hearing
submitted 8/19/2013

BTA Oil Producers, LLC Wells behind DCP's Glasscock County Pipeline

Lease Name	Lease No.	Field/Reservoir	H-9 Cert. #	Vent	Flare	Avg Daily Prod
7613 JV-P Cox	24732	Blalock Lake, S (Wolfcamp)		X		10
7613 JV-P Cox B	26714	Blalock Lake, SE (Wolfcamp)		X		37
7613 JV-P Cox B	24893	Blalock Lake, S (Wolfcamp)		X		6
Lovelady-Cox	23974	Blalock Lake, S (Wolfcamp)		X		9
7613 JV-P Cox D	28274	Blalock Lake, E (Wolfcamp)		X		11
7613 JV-P Cox F	35185	Blalock Lake, S (Wolfcamp)		X		42
7613 JV-P Cox G	34364	Blalock Lake, SE (Wolfcamp)		X		2
7613 JV-P URC A	35377	Blalock Lake, S (Wolfcamp)		X		25
8102 JV-P URC	35413	Blalock Lake, S (Wolfcamp)		X		14
7613 JV-P Calverley 26	28560	Blalock Lake, SE (Wolfcamp)		X		23
7904 JV-P Hillger 2A	37958	Cobra (Wolfcamp)		X		4
7904 JV-P Hillger D	35759	Cobra (Wolfcamp)		X		11
8102 JV-P Calverley B	35000	Blalock Lake, SE (Wolfcamp)		X		0
8102 JV-P Calverley B	35597	Blalock Lake, E (Wolfcamp)		X		0
8102 JV-P Calverley D	35470	Blalock Lake, SE (Wolfcamp)		X		0
8102 JV-P Fry	28048	Blalock Lake, SE (Wolfcamp)		X		0
8102 JV-P Gibson	27958	Blalock Lake, SE (Wolfcamp)		X		10
8102 JV-P Glass D	36079	Blalock Lake, E (Wolfcamp)		X		10
8102 JV-P Glass B	27303	Blalock Lake, E (Wolfcamp)		X		12
8102 JV-P Glass C	28066	Blalock Lake, E (Wolfcamp)		X		0
8102 JV-P Glass C	30064	Blalock Lake, SE (Wolfcamp)		X		28
9204 JV-P Whit	33604	Cobra (Wolfcamp)	59644	X		9
9204 JV-P Whit C	33956	Cobra (Wolfcamp)	59644	X		16
9807 JV-P Flanagan	36055	Blalock Lake, S (Wolfcamp)		X		0
9807 JV-P Flanagan A	36060	Blalock Lake, S (Wolfcamp)		X		0
7613 JV-P Cox C	26993	Blalock Lake, SE (Wolfcamp)		X		0
8207 JV-P Shannon	28690	Garden City, NW (Strawn)		X		203

Avg Daily Prod

482