



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7C-0292671

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**THE APPLICATION OF ENDEAVOR ENERGY RESOURCES, LP FOR AN  
EXCEPTION TO STATEWIDE RULE 32 FOR THE UNIVERSITY UNIT 5-20-21  
LEASE, LIN (WOLFCAMP) FIELD, IRION COUNTY, TEXAS**

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**HEARD BY:** Paul Dubois- Technical Examiner  
Laura Miles-Valdez - Hearings Examiner

**REPORT PREPARED BY:** Richard Eyster, P.G.

**DATE OF HEARING:** December 11, 2014

**CONFERENCE DATE:** March 10, 2015

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:**

Tim George  
Mimi Winetraub

Endeavor Energy Resources, LP

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Endeavor Energy Resources, LP ("Endeavor") requests an exception to Statewide Rule 32 (16 Tex. Admin. Code §3.32) to flare gas from the University Unit 5-20-21 Lease, in the Lin (Wolfcamp) Field, Irion County, Texas. Endeavor requests authority to flare 100 thousand cubic feet (MCF) of gas per day from May 21, 2014, through October 31, 2014. The lease is now connected to a pipeline and there is no continuing need to flare gas.

All offset operators in the field were notified of the hearing, and the application is not protested. The Examiners recommend the exception be granted, but with a revised date of June 19, 2014, through October 31, 2014, for reason explained below.

### **DISCUSSION OF THE EVIDENCE**

Endeavor seeks an exception to Statewide Rule 32 to flare casinghead gas from its University Unit 5-20-21 Lease. There are eight wells on the lease, three of which are shut-in. The Lin (Wolfcamp) Field is experiencing rapid development and there is currently insufficient gas gathering and pipeline transmission capacity. Endeavor's gas sales from the lease are subject to curtailment from gas pipeline operator WTG. Endeavor and WTG are working to upgrade gas gathering and transmission capacity. Until sufficient capacity is in place, Endeavor requests authority to flare gas as an option to shutting-in the Lease, which may place oil reserves at risk.

Endeavor an administrative permit to flare gas (Permit No. 14949) from the university Unit 5-20-21 Lease. Permit No. 14949 was issued to Endeavor authorizing flaring for 180 days, from November 20, 2013, through May 21, 2014. The authorized rate was 1,500 MCF per day.

Endeavor claimed to submit a hearing request in April, 2014, before the administrative permit was obtained. The Commission does not have record of receipt of this request, and Endeavor could not substantiate that the request was sent. The permit expired on May 21, 2014. From May 21, 2014, through October 31, 2014, Endeavor flared a daily average of 789 MCF gas from the lease.

Endeavor provided an analysis of daily flare activity from the lease, which identified a number of days for which no flaring activity occurred. Thus, Endeavor believes that their authority for 180 days of actual flaring can reasonably be extended until June 19, 2014, per Endeavor's late-filed Exhibit No. 6.

On September 17, 2014, Endeavor requested a hearing to extend its flaring authority through October, 2014, at which time the pipeline connections would be complete and the need to flare gas would no longer exist. At the December 11, 2014, hearing, Endeavor testified that the lease was now connected to a pipeline. Endeavor requests continued authority to flare 1,500 MCF gas per day from the expiration of the administrative permit on May 21, 2014, through October 31, 2014. The Examiners noted at the hearing that flaring authority would not be recommended for the time period in which authority has lapsed. Therefore, the Examiners recommend Endeavor be granted authority to flare 1,500 MCF gas per day from September 17, 2014, through October 31, 2014. Further, the administrative permit that expired on May 21, 2014, should be interpreted to have expired on June 19, 2014, based on the analysis of actual flare activity provided by Endeavor.

### **FINDINGS OF FACT**

1. Proper notice of this hearing was given to offset operators at least ten days prior to the date of hearing. There were no protests to the application.

2. Endeavor operates eight wells on its University Unit 5-20-21 Lease. Gas sales from the lease is subject to curtailment from pipeline operator WTG because of line pressure and capacity limitations.
3. Endeavor obtained administrative authority (Permit No. 14949) to flare 1,500 MCF gas from the lease from November 20, 2013, through May 21, 2014, for a period of 180 days.
4. On September 17, 2014, Endeavor requested a hearing to extend the flaring authority to October 31, 2014.
5. The administrative flaring authority under permit no. 14949 should be extended from May 21, 2014, to June 19, 2014 based on actual flare activity during the permits effective date.
6. The lease was connected to a pipeline in October 2014, terminating the need to flare gas from the lease.

**CONCLUSIONS OF LAW**

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.45
3. The authority to flare 1,500 MCFG per day from Endeavor Energy Resources, LP's University Unit 5-20-21 Lease during the time period from September 17, 2014 through October 31, 2014, satisfies the requirements of Title 16, Texas Administrative Code §3.32.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission grant an exception to Statewide Rule 32 authorizing Endeavor Energy, LP to flare gas from its University Unit 5-20-21 Lease, at a rate of up to 1,500 MCF per day, from September 17, 2014, to October 31, 2014.

Respectfully submitted,

  
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Technical Examiner

  
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Legal Examiner