



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7C-0296552

**THE APPLICATION OF EP ENERGY E&P COMPANY FOR EXCEPTIONS TO
STATEWIDE RULE 32, FOR 15 FACILITIES IN THE LIN (WOLFCAMP) FIELD,
REAGAN AND CROCKETT COUNTIES, TEXAS**

HEARD BY: Paul Dubois – Technical Examiner
Terry Johnson – Hearings Examiner

HEARING DATE: August 7, 2015

CONFERENCE DATE: August 25, 2015

APPEARANCES:

Mark Hanna
Matt Immel

REPRESENTING:

EP Energy E&P Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

EP Energy E&P Company (EP) seeks exceptions to Statewide Rule 32 (16 Tex. Admin. Code §3.32) to flare gas from 15 locations—central production facilities (CPF) or wells—in the Lin (Wolfcamp) Field, Reagan and Crockett Counties, Texas. EP seeks a two-year exception to flare or vent from 500 thousand cubic feet (MCF) of gas per day to 3,500 MCF of gas per day from the 15 facilities included in this application. In each case, the potential need is the non-routine, flaring of gas; it is a failsafe measure to ensure legal disposition of all gas produced from its leases. The Examiners recommend the exceptions be granted.

DISCUSSION OF EVIDENCE

EP recently acquired the subject facilities and wells from BHP Billiton. From the subject wells, EP sells low pressure wet gas. EP does not compress the gas, and therefore does not experience compressor downtimes. However, the gas is compressed by the purchaser. When the purchaser experiences compressor failure or other capacity

issues, EP consequently experiences the need to flare gas or shut in the affected wells. Therefore, EP requests authority to flare gas from the subject 15 facilities as a failsafe contingency for times at which the purchaser is not able to accept the gas.

Statewide Rule 32 governs the utilization of gas well gas and casinghead gas produced by oil and gas wells under the jurisdiction of the Railroad Commission. All of the subject facilities have received administrative flare permits for the maximum allowed 180 days. By this application, EP seeks a Commission final order granting an exception for an additional two years. A list of the facilities, administrative permits, and requested volumes is presented on the table below:

Well or Central Production Facility	Administrative Permit No.	Administrative Permit Expiration Date	Requested Volume
University Central 08-24 CPF	20086	May 21, 2015	500
University Central 08-01 CPF	20087	May 22, 2015	500
University Central 08-19 CPF	20088	May 22, 2015	500
University Central 0812AH	20081	May 21, 2015	500
University Central 0812BH	20082	May 21, 2015	500
University East 41-09 CPF	20024	May 19, 2015	3,500
University East 43-17 CPF	20027	May 20, 2015	1,000
University East 4318AH	20085	May 21, 2015	750
University East 4319AH	20084	May 21, 2015	500
University East 4322AH	20083	May 21, 2015	500
University East 44-18 CPF	20090	May 21, 2015	3,500
University East 47-18 CPF	20089	May 23, 2015	500
University Stonegate 38-22 CPF	23039	May 19, 2015	2,000
University Stonegate 3911AH	20025	May 20, 2015	500
University Stonegate 3907AH	20093	May 26, 2015	500

EP anticipates further field development in the area. The requested flare volumes are based on the current and projected future gas production rates at each facility. At some facilities, EP has multiple sales point options.

wells meet the requirements of Statewide Rule 32. 16 Tex. Admin. Code § 3.32(h)

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend exceptions to Statewide Rule 32 for the subject facilities be granted as requested by EP.

Respectfully submitted,



Paul Dubois
Technical Examiner



Terry Johnson
Hearings Examiner