



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL & GAS DOCKET NO. 08-0298499**

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**THE APPLICATION OF OXY USA INC. FOR AN EXCEPTION TO STATEWIDE RULE 32 GAS FLARING FOR THE BRUNSON INGRAM LEASE, WELL NO. 1823R, TOM A LEASE, WELL NO. 1 AND WEYMAN A LEASE, WELL NO. 1544, SPRABERRY (TREND AREA) FIELD, GLASSCOCK COUNTY, TEXAS**

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**HEARD BY:** Peggy Laird, P.G. – Technical Examiner  
Marshall Enquist – Administrative Law Judge

**HEARING DATE:** December 29, 2015

**CONFERENCE DATE:** August 24, 2016

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

**APPLICANT:**

John Soule  
William Calhoun

OXY USA Inc.

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

OXY USA, Inc. ("OXY") seeks an exception to Statewide Rule 32 (16, Tex. Admin. Code §3.32) to flare gas from the Brunson Ingram Lease, Well No. 1823R, Tom A Lease, Well No. 1 and Weyman A Lease, Well Nos. 1533 and 1544 in the Spraberry (Trend Area) Field, Glasscock County, Texas. All offset operators in the subject field were notified of the hearing. There were no objections filed, and no protestants appeared at the hearing. The Examiners recommend the exception to Statewide Rule 32 be granted, as requested by OXY.

#### **DISCUSSION OF THE EVIDENCE**

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. In the

subject application, OXY is requesting to flare gas as provided in Statewide Rule 32(h), until appropriate pipeline connections can be completed.

OXY purchased the subject wells from Three Rivers in 2014, and they were transferred to OXY in early 2015. As part of the transfer process, OXY submitted flaring applications for 180 days, and were permitted for 90 days. OXY stated that there were administrative errors, and acknowledged they did not timely file for the necessary permits during the transfer process. As a result, OXY revised their method to maintain regulatory compliance, and submitted an application for authority to flare on October 6, 2015, for the captioned leases. OXY stated that their production information differs from the initial requested flare volumes. OXY recognized the discrepancy, and is in the process of correcting the errors with the Commission.

The Brunson Ingram Lease, Well No. 1823R, was completed April 3, 2015. The initial flare permit (No. 021908) authorized flaring of up to 11 MCF per day (MCFD) from April 2, 2015, until July 1, 2015. According to OXY's records, the initial gas potential was 357 MCFD and the current volume flared is 228 MCFD.

The Tom A Lease, Well No. 1, was completed March 11, 2015. The initial flare permit (No. 021716) authorized flaring of up to 170 MCFD from March 7, 2015, until June 5, 2015. According to OXY's records, the initial gas potential was 507 MCFD, and the current volume flared is 181 MCFD.

The Weyman A Lease holds two wells, Well Nos. 1544 and 1533, for one flare point. Well No. 1544 was completed February 1, 2015, and Well No. 1533 was completed March 26, 2015. The initial flare permit (No. 021909) authorized flaring of up to 500 MCFD from February 25, 2015, until May 26, 2015. According to OXY's records, the initial gas potential for Well No. 1544 was 739 MCFD, and for Well No. 1533 was 560 MCFD. The current volume flared for both wells is 108 MCFD from one flare point.

The subject wells are in the process of being connected to new pipelines operated by Energy Transfer. OXY stated the connections are expected to be completed within a few months. OXY seeks authority to flare up to 250 MCFD for the Brunson Ingram Lease, 200 MCFD for the Tom A Lease, and 150 MCFD for the Weyman A Lease. The requested time interval for the potential need to flare is from October 6, 2015 to July 31, 2016, at which time connections to a pipeline gathering system for sales should be completed.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of the hearing. There were no protests to the application.
2. The subject wells in the captioned leases have received administrative permits to flare casinghead gas for 90 days each.

3. OXY purchased the subject wells from Three Rivers in 2014, and they were transferred to OXY in early 2015.
4. The subject wells are in the process of being connected to new pipeline gathering systems for sales operated by Energy Transfer.

**CONCLUSIONS OF LAW**

1. All things have occurred and been accomplished to give the Commission jurisdiction in this matter. Tex. Nat. Res. Code § 81.051
2. Proper notice of this hearing was given to all parties entitled to notice at least 10 days prior to the hearing. 16 Tex. Admin. Code § 3.32
3. The requested exception to flare casinghead gas meets the requirements of Statewide Rule 32. 16 Tex. Admin. Code § 3.32(h)

**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 for the subject wells, as requested by OXY USA, Inc.

Respectfully submitted,



Peggy Laird, P.G.  
Technical Examiner



Marshall Enquist  
Administrative Law Judge