

Application for Exception to Statewide Rule 32

See 16 Texas Administrative Code (TAC) § 3.32 [Statewide Rule ("SWR") 32] for rule references. Attach supporting information where indicated by the notation "Documentation Requirement," and refer to Section 7 for the specific documentation requirements. Each exception application requires a \$375 fee (including surcharge) pursuant to SWR 78.

Forms and fees can be mailed to Railroad Commission of Texas, Oil & Gas Division, Engineering Unit, PO Box 12967, Austin TX 78711, or emailed with payment receipt to EngUnit@rrc.texas.gov.

For questions, contact the Engineering Unit at 512-463-1126 or EngUnit@rrc.texas.gov.

RRC USE ONLY	
<input type="checkbox"/> Approved	<input type="checkbox"/> Denied
Exception No.: _____	
If Renewal, Filed Within 21 Days of Expiration? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Fee Paid? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Effective Date: _____	
Expiration Date: _____	
No. of Days: _____	
Authorized Rate: _____ MCF/D	
_____ MCF/Mo	

<p>SECTION 1: APPLICANT</p> <p>1. Operator P-5 Number: _____</p> <p>2. Operator Name: _____</p> <p>3. 24-Hour Emergency Contact Number: _____</p> <p>4. Operator Address: _____</p>	<p>SECTION 2: GENERAL</p> <p>1. Is this application for a new or a renewal exception (check one)?</p> <p>a. <input type="checkbox"/> New</p> <p style="padding-left: 20px;">i. Most recent SWR Rule 32 exception number for this property, if any: _____</p> <p>b. <input type="checkbox"/> Renewal (Documentation Requirement 1)</p> <p style="padding-left: 20px;">i. Existing SWR 32 Exception No.: _____</p>
<p>SECTION 3: GAS PRODUCTION AND REQUESTED RELEASE AUTHORITY</p> <p>1. Requested Exception Duration</p> <p>a. Effective Date: _____</p> <p>b. Expiration Date: _____</p> <p>c. Number of days (this request): _____</p> <p>2. This exception is associated with the following oil or gas property:</p> <p>a. <input type="checkbox"/> Drilling Permit Number: _____</p> <p>b. <input type="checkbox"/> RRC Gas ID Number: _____</p> <p>c. <input type="checkbox"/> RRC Oil Lease Number: _____</p> <p>d. <input type="checkbox"/> Gas Plant Serial Number: _____</p> <p>e. <input type="checkbox"/> Multiple properties [in the event of a full or partial shut-down of a gas plant, gas gathering system, etc., as provided for in SWR 32 (h)(8)]</p> <p style="padding-left: 20px;">i. List property ID numbers: _____</p> <p>3. Number of flares and/or vents associated with this property (these properties, if Item 2.e selected) _____</p> <p>4. Is this oil and/or gas property connected to a gas gathering or transmission system?</p> <p style="padding-left: 20px;"><input type="checkbox"/> Yes (provide the Pipeline Permit Number for connected system): _____</p> <p style="padding-left: 20px;"><input type="checkbox"/> No</p>	
<p>SECTION 3A – REQUESTED RELEASE AUTHORITY (<i>Repeat for each property identified in Section 3, Item 2 above; attach additional pages if necessary.</i>)</p> <p>1. Requested Release Rate (Documentation Requirements 2 and 3)</p> <p>a. _____ MCF/Day</p> <p>b. Release Duration</p> <p style="padding-left: 20px;">i. <input type="checkbox"/> for every day of the calendar month, or</p> <p style="padding-left: 20px;">ii. For _____ days per calendar month</p> <p>2. Gas Type (Check one)</p> <p>a. <input type="checkbox"/> Casinghead Gas</p> <p>b. <input type="checkbox"/> Gas Well Gas</p>	

Application for Exception to Statewide Rule 32

SECTION 3B – FLARE/VENT INFORMATION (*Repeat for each flare and/or vent associated with each property identified in Section 3, Item 2 above; attach additional pages as necessary*)

1. Flare or Vent Name: _____
2. County: _____
3. Release Type (Check one)
 - a. Flare
 - b. Vent (**Documentation Requirement 4**)
4. Release Height (above ground surface): _____ feet
5. Release Location:
 - a. Latitude: _____
 - b. Longitude: _____
 - c. Datum:
 - i. NAD 27
 - ii. NAD 83
 - iii. WGS 84
6. Is the operator aware of the “Recommended Lighting Practices” related to flaring in the February 2019 Notice to Operators (see <https://rrc.texas.gov/media/50349/notice-to-operators-dark-skies-2-11-2019.pdf>)
 - a. Yes
 - b. No

SECTION 4 – COMPLIANCE WITH SWR 36 (*Indicate a response for each property identified in Section 3.2; attach additional pages if necessary.*)

1. Is the oil and/or gas property identified in Section 3 subject to SWR 36 (hydrogen sulfide area)?
 - a. Yes
 - b. No
 - i. Form H-9 Number: _____
 - ii. H2S Concentration: _____ ppm

SECTION 5 – RULE-DEFINED NECESSITY FOR RELEASE

Pursuant to SWR 32 (f)(2), the necessity for the release includes the following (check the appropriate box and provide the additional required information where additional information is required):

1. Extended clean-up beyond 10 days [see SWR 32(f)(2)(A)]
2. Unloading excess formation fluid buildup [see SWR 32(f)(2)(B)]
3. Low pressure gas with authorized uses constrained by mechanical, physical, or economic impracticability [see SWR 32(f)(2)(C)] (**Documentation Requirement 5**)
4. For casinghead gas only, the unavailability of a gas pipeline or marketing facility [see SWR 32(f)(2)(D)] (**Documentation Requirement 6**)
 - a. Requested form of exception (check one):
 - i. 90 days
 - ii. Administrative approval for up to a 180 day period, in which flaring/venting is limited to 5 days per month
 - iii. Administrative approval up to 180 days, if gas volume flared is reduced via application of a flare reduction technology (**Documentation Requirement 7**)
 - iv. Step-out (drilling in undeveloped areas): a) lack of infrastructure for the quality of gas; or b) 2-1/2 miles radius review for pipeline availability; 90-day renewable administrative extensions available for a maximum of 180 days
5. Avoiding curtailment of gas which will result in a reduction of ultimate recovery [see SWR 32(f)(2)(E)] (**Documentation Requirement 8**)
6. Other
 - a. Insufficient Gas Gathering Capacity (**Documentation Requirement 6**)
 - b. System Upset (Operator)
 - c. System Upset (Third Party)
 - d. Scheduled Maintenance
 - e. Unscheduled Maintenance
 - f. If not described above, please provide detail (**Documentation Requirement 9**).

SECTION 5A – SUPPLEMENTAL INFORMATION (**Documentation Requirement 10**)

1. Explain why the operations cannot be shut-in and the gas must be released.
2. Explain how all non-wasteful uses, including sales of gas and other beneficial uses, have been investigated and exhausted:

Application for Exception to Statewide Rule 32

SECTION 6 – OPERATOR’S CERTIFICATION

I declare under the penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that: I am authorized to make this report; that this report was prepared by me or under my supervision and direction; and that the data and facts stated herein are true, correct and complete, to the best of my knowledge.

- | | |
|---|--|
| 1. Signature: _____ | 3. Name of Person (Type or print): _____ |
| 2. Date: _____ | 4. Title: _____ |
| 6. The applicant agrees to receive all Railroad Commission of Texas correspondence concerning the administrative review of this application via EMAIL ONLY: | |
| a. <input type="checkbox"/> Yes | |
| i. At the following email address: _____ | |
| b. <input type="checkbox"/> No | |

SECTION 7 – DOCUMENTATION REQUIREMENTS

Based on selections above, please provide the appropriate documentation as required.

1. Provide documentation demonstrating that the conditions for which the initial exception or latest renewal was granted have not significantly changed despite a good-faith attempt by the operator to direct the gas to or utilize the gas for purposes and uses authorized by law [see SWR 32(i)(2)].
2. Provide production data for the past 60 days to document the current production and disposition of gas from the producing property. For new wells producing for less than 60 days, document the production history to date. Not applicable to exception requests for gas plants.
3. Provide a description of the method of gas measurement for gas released [see SWR 32(f)(1) and (2), and 3.27(a), (b), or (c), and (i)].
4. Provide evidence that flaring is not required for safety reasons or by other regulation and that the gas can be safely vented [see SWR 32(e)(1) and (3).]
5. Provide documentation that the volumes of low pressure gas that can be measured with devices routinely used in oil and gas exploration, development, and production operations and that are not directed by an operator to a gas gathering system, gas pipeline, or other marketing facility, or other purposes and uses authorized by law due to mechanical, physical, or economic impracticability [see SWR 32(f)(2)(C)].
6. Provide an economic analysis assessing gas marketability including treatment, compression and pipeline costs. Documentation of gathering/transmission pipeline availability, capacity and/or reliability limitations. Include plans to secure pipeline and/or gas plant capacity and provide evidence of good faith efforts to obtain the same.
7. Provide documentation describing the type of release reduction technology used and the anticipated percentage reduction. If the release reduction technology has not been implemented, provide the anticipated date of implementation.
8. Provide documentation of the curtailment notification [see SWR 32(f)(2)(E)].
9. Provide documentation of “other” necessity.
10. Provide documentation for the supplemental questions, explaining (1) explain why the operations cannot be shut-in and the gas must be released, and (2) how all non-wasteful uses, including sales of gas and other beneficial uses, have been investigated and exhausted.

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Instructions

The purpose of this form is to request an exception to 16 Texas Administrative Code §3.32 [Statewide Rule (“SWR”) 32] to vent or flare gas pursuant to SWR 32(f)(2), (g)(2), (h), and (i). To request an exception an operator shall file a completed Rule 32 Data Sheet and pay the combined fee and surcharge (\$375). Forms and fees can be mailed to:

Railroad Commission of Texas
Oil & Gas Division, Technical Permitting Section, Engineering Unit
PO Box 12967
Austin TX 78711

Completed forms can also be emailed with payment receipt to EngUnit@rrc.texas.gov. For questions, contact the Engineering Unit at 512-463-1126 or EngUnit@rrc.texas.gov.

Documentation Requirements: Additional information may be required for an application, and the required additional information is indicated by one of 10 “*Documentation Requirements*” that are described in detail in Section 7. The required additional information must be submitted with the exception.

Section 3: An exception will be issued to the operator of one producing property (drilling permit, oil lease, gas well ID) or with a gas plant, except in the case of full or partial shut-down of a gas gathering system or processing plant [see SWR 32(h)(8)] in which multiple properties may be included on one exception. An oil lease with multiple release points (flares and/or vents) will need one exception. Two oil leases sending gas to a commingled release point (flare or vent) will each need an exception to Rule 32.

The Commission will not issue Rule 32 exceptions to commingle points that have received Commingle Permits pursuant to Rules 26 or 27. Flare/vent release points may be located at commingled facilities, but the exception will be issued to the contributing producing properties. A producing property may have more than one release point (i.e., more than one flares and/or vents), and information for each release point will be provided in Section 3B.

Section 3A: Enter the requested daily release rate. Because production reports are submitted monthly, the monthly equivalent requested release duration should also be indicated.

Section 3B: Provide the required information for each release point (flare and/or vent) servicing the producing property or gas plant. A producing property may be serviced by flares and vents.

Sections 3A, 3B and 4: These sections will need to be repeated if the exception application contains multiple producing properties or release (flare/vent) points. Attach additional pages or a tabulation as necessary.

Section 5: Items 1 through 5 are the rule-defined categories designated in SWR(f)(2)(A-E).

Section 7: The documentation requirements may be submitted as individual attachments or as an aggregated documentation summary.