



RRC Regulation of Flaring and Venting

Paul Dubois
November 2020





- **Regulatory Structure**
 - Natural Resources Code
 - 16 Texas Administrative Code §3.32
 - Other Rules
 - § 3.27(c), (i) Gas Measurement
 - § 3.58(b) Monthly Production Reports
- **Exception Process**
 - Form and Fee
- **Recent form changes**
 - Online system coming
 - 2-phase implementation



- Chapter 85: Conservation of Oil & Gas
 - Sec. 85.045. Waste Illegal and Prohibited.
 - Sec. 85.046. Waste (defined)
 - permitting any natural gas well to burn wastefully
 - escape of gas into the open air in excess of the amount necessary in the efficient drilling or operation of the well from a well producing both oil and gas



- Chapter 86: Regulation of Natural Gas
 - Sec. 86.011. Prohibition Against Waste
 - Sec. 86.012. Definition of Waste
 - permitting a gas well to burn wastefully
 - the escape of gas from a well producing both oil and gas into the open air in excess of the amount that is necessary in the efficient drilling or operation of the well
 - permitting gas produced from a gas well to escape into the air before or after the gas has been processed for its gasoline content, unless authorized as provided in Section 86.185 of this code
 - Sec. 86.185. Prohibition Against Gas in Air



- Chapter 88: Control of Oil Property
 - Sec. 88.011. Adoption of Rules
 - to provide that no oil is being produced from a well producing both oil and gas without burning a flare or flares if the installation and use of a flare or flares is required by the terms of this chapter
 - Sec. 88.055. Production Prohibited without Flare



Gas Well Gas and Casinghead Gas Shall Be Utilized for Legal Purposes (“Statewide Rule 32”)

- (d) Exempt Gas Releases
- (e) Gas Releases to be Burned in a Flare
- (f) Gas Releases in Oil and Gas Production Operations
- (g) Gas releases from gas gathering system, gas plant or gas handling operations.
- (h) Exceptions

16 TAC §3.32 (d) – Exempt Releases



- Releases of gas that are not readily measured by devices routinely used in the operation of oil wells, gas wells, gas gathering systems, or gas plants.
 - Tank vapors
 - Releases during drilling
 - Releases prior to completion
 - Several other specific occurrences
- The commission may require flaring of exempt releases for safety reasons

16 TAC §3.32 (e) – Releases Burned in a Flare



- Releases more than 24 hours should be burned in a flare if can be done safely
- Releases less than 24 hours may be vented if flaring not required for safety
- Follow 16 TAC §3.36 for Hydrogen Sulfide
- Exceptions may be granted
- The commission may require flaring for safety reasons.



Limited Authorization

- Ten producing days after initial completion
- Gas from a well that must be unloaded or cleaned-up to atmospheric pressure (24 hrs/event, 72 hrs/month)
- Full or partial shutdown by a gas gathering system (not to exceed 24 hrs)
- Gas contained in the waste stream from certain process units (provided 85% is recovered to legal disposition)
- Low pressure separator gas (15 mcf/day for gas well, 50 mcf/day for oil lease or commingle point)



- In excess of limits authorized in §3.32(f)(1)
- Low pressure gas that can be measured but there are mechanical, physical or economic impediments to legal disposition
- Unavailability of gas pipeline or marketing facility (casinghead gas only)
- Avoiding curtailment which will result in a reduction of ultimate recovery

16 TAC §3.32 (g) – Gas Plants & Gathering



- Shall not intentionally allow gas to be released for a period of more than 24 hours after the start of an upset condition
- Notify District Offices
- Exceptions may be granted

16 TAC §3.32 (h) – Exceptions (1 of 5)



- Form
 - OLD: Rule 32 Exception Data Sheet
 - NEW: Form R-32 Application for Exception to Statewide Rule 32
 - By mail or email (EngUnit@rrc.texas.gov)
 - ONLINE: Spring 2021 (implements the new Form R-32)
- Fee - \$375
 - \$150 Fee for Rule Exception
 - \$225 Surcharge
 - By check or credit card
- Authority
 - Administrative (not to exceed 180 days)
 - Less than 50 mcf/day not subject to 180-day limit
 - Hearing & Final Order

16 TAC §3.32 (h) – Exceptions (2 of 5)



OLD: Rule 32 Exception Data Sheet

- Download:

<https://www.rrc.texas.gov/oil-gas/forms/oil-gas-forms-library/oil-gas-forms-in-alphabetical-order/>

- July 2021 Webinar:

<https://rrc.texas.gov/oil-gas/oil-gas-workshops-and-seminars/rrc-regulatory-webinars-oil-gas/>

- May continue to use the old form for now

STATEWIDE RULE 32 EXCEPTION DATA SHEET (05/2012) Revised

(FILING FEE REQUIRED)
*\$ 375.00 PER RRC LEASE NUMBER OR \$375.00 PER RRC GAS ID NUMBER. IF SEVERAL LEASES ARE SURFACE COMINGLED AND FLARED AT THE BATTERY, FEE IS \$375.00 PER COMINGLING PERMIT NUMBER (STATEWIDE RULE 78 AMENDMENT EFFECTIVE MAY 1, 2012)

Operator Number: _____
Operator Name & Address: _____ 24 hr Emergency # () _____
RRC DISTRICT _____
COUNTY _____

Well/Lease/Plant/System Name _____ Field _____

Identification by ID# (Indicate Type):
API# _____ Gas ID# _____ Lease ID# _____ Drilling Permit# _____ Commingle Permit# _____ Plant ID# _____
Number(s) _____

Type of gas to be flared/vented (mark box): _____ Casinghead Gas _____ Gas Well Gas _____
Is this well/lease/plant subject to Statewide Rule 36 (H₂S Area)? _____ Yes _____ No _____
If yes*, Form H-9 Certificate # _____ H₂S Concentration _____ ppm

*Proximity to populated areas-(Highways, Roads, Towns, House or Homes, Etc.) LOCATE ON MAP

Disposition of gas (mark box): _____ Flare _____ Flare Stack/Height _____ Flare Pit _____ Vent _____
Time period requested (days,months): _____ Effective ___/___/___ Expiration ___/___/___
Volume to be flared/vented during time period requested:
MCF/D per well or _____ MCF/D per lease or _____ MCF/D per plant/system or _____ MCF total for time period _____

Method of Measurement: _____
Purpose of Filing (circle): No Pipeline* _____ System Upset _____ Clean Up/Test Well _____ Size Compressor _____ Other _____
*If no, distance to nearest pipeline _____ mile(s) - attach map showing location of site and nearest pipeline(s).

Explanation: _____

Before an exception can be granted, the following information must be submitted with this data sheet:

- * Explanation as to why the operations cannot be shut-in and the gas must be vented or flared
- * If gas is vented, explain why the gas cannot be safely and continuously burned and that the gas can be safely vented
- * Explanation of how all legal uses for casinghead gas have been investigated and exhausted
- * Distance to nearest pipeline and operating conditions (e.g.sweet or sour, line pressure etc.)

OPERATOR'S CERTIFICATION
I declare under penalties prescribed in Sec.91.143, Texas Natural Resources Code, that I am authorized to request this exception, that this data sheet and its attachments were prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Typed or printed name of operator's representative _____ Title _____
Telephone: Area Code - Number _____ Date _____ Signature _____

____ Does the applicant request to receive all Commission correspondence concerning the administrative review of this application VIA EMAIL ONLY: If yes, indicate email address: _____@_____

RRC USE ONLY

Administrative action: Approved _____ Denied _____
Permit Number _____ Effective Date _____ Expiration Date _____

ALL PRODUCTION SHOULD BE ACCURATELY MEASURED WITH DISPOSITION OF GAS REPORTED TO CODE 4 ON MONTHLY PR

Return to: RAILROAD COMMISSION OF TEXAS
TERRY EDWARDS
PO BOX 12967
AUSTIN TX 78711

16 TAC §3.32 (h) – Exceptions (3 of 5)



NEW: Form R-32 Application for Exception to Statewide Rule 32

- Adopted on November 4, 2020

- Download:

<https://www.rrc.texas.gov/oil-gas/forms/oil-gas-forms-library/oil-gas-forms-in-alphabetical-order/>

- May use the new form **or** continue to use the old form for now
- Future Webinar associated with the new online system (Spring 2021)

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form R-32
Effective 11/04/2020

Application for Exception to Statewide Rule 32

SECTION 1: APPLICANT AND GENERAL INFORMATION	
1. Operator P-5 Number: _____	8. 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)
2. Operator Name: _____	a. <input type="checkbox"/> Yes
3. 24-Hour Emergency Contact Number: _____	b. <input type="checkbox"/> No
4. Operator Address: _____	
5. Site Name: _____	
SECTION 2: EXCEPTION TYPE	
1. Is this application for a new or a renewal exception (check one)?	
a. <input type="checkbox"/> New. See <i>Instructions</i> .	
b. <input type="checkbox"/> Renewal of SWR 32 Exception Number: _____	
i. <input type="checkbox"/> Administrative Renewal. See <i>Instructions</i> .	
ii. <input type="checkbox"/> Hearing Request. See <i>Instructions</i> .	
SECTION 3: PRODUCING PROPERTY	
1. This exception request is associated with the following oil or gas property (choose one):	
a. <input type="checkbox"/> Drilling Permit Number: _____	
b. <input type="checkbox"/> Gas ID Number: _____	
c. <input type="checkbox"/> Oil Lease Number: _____	
d. <input type="checkbox"/> Surface Commingle Permit Number: _____	
i. Number of commingled properties: _____ (Complete ATTACHMENT 1)	
e. <input type="checkbox"/> Gas Plant Serial Number: _____	
f. <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)]	
i. Number of properties: _____ (Complete ATTACHMENT 1)	
2. Number of flares and/or vents associated with this exception: _____	
3. Is this oil and/or gas property connected to a gas gathering or transmission system?	
a. <input type="checkbox"/> Yes	
b. <input type="checkbox"/> No. Provide the distance to the nearest pipeline: _____ feet or miles	
SECTION 4 – REQUESTED RELEASE AUTHORITY	SECTION 5 – FLARE/VENT INFORMATION (Complete ATTACHMENT 2 for multiple flares and/or vents)
1. Requested Release Rate. See <i>Instructions</i> .	1. Flare or Vent Name: _____
a. _____ MCF/Day. See <i>Instructions</i> .	2. Release Type (Check one)
i. <input type="checkbox"/> For every day of the calendar month, or	a. <input type="checkbox"/> Flare
ii. <input type="checkbox"/> For _____ days per calendar month.	b. <input type="checkbox"/> Vent. See <i>Instructions</i> .
2. Requested Exception Duration	3. Release Height (above ground surface): _____ feet
a. Effective Date: ____/____/____	4. Release Location:
b. Expiration Date: ____/____/____	a. District: ____
i. ____/____/____	b. County: _____
ii. <input type="checkbox"/> permanent	c. Latitude: _____ °N (decimal degrees preferred)
3. Method of Gas Measurement	d. Longitude: _____ °W
a. <input type="checkbox"/> Orifice Meter	e. Datum:
b. <input type="checkbox"/> Turbine Meter	i. <input type="checkbox"/> NAD 27
c. <input type="checkbox"/> Mass Flow Meter	ii. <input type="checkbox"/> NAD 83
d. <input type="checkbox"/> Other Meter: _____	iii. <input type="checkbox"/> WGS 84
e. <input type="checkbox"/> Estimate [See SWR 27(i)]	



Features of the new Form R-32

- Exception requirements and justifications closely aligned with Rule 32
- Multiple flares per producing property
- Geographical location of flare facilities
- Facilitate reconciliation with production reports and compliance
- Facilitate data accessibility and use
- Online system implementation

16 TAC §3.32 (h) – Exceptions (5 of 5)



- Administrative exceptions may not exceed 180 days
 - Generally in 60- or 90-day increments
 - Form & Fee required for all renewals
- Authorized flare rate less than 50 mcf/d are not subject to the 180-day limitation
- Exceptions for longer than 180 days and 50 mcf/d require a Final Order issued by the Commission after hearing

Rule 32 Compliance



- Field Inspection (District Office)
 - Gather coordinates
 - Meter observation
 - Unauthorized flaring
 - Unlit flare
- Production Audit (Engineering Unit, Austin)
 - Flaring without authorization
 - Exception operator \neq Producing operator
 - Flaring in excess of authorized rate
- Enforcement

Rule 32 Online System



- Phase 1 – End of March 2021
 - Internal & external user dashboards
 - Data entry
 - Payment portal
 - Application submittal & processing
- Phase 2 – August/September 2021
 - Data tools
 - Compliance and Enforcement tools
 - Search screen for public user

Rule 32 Contacts



Name	Email	Phone
Engineering Unit	EngUnit@rrc.texas.gov	512-463-1126
*Bill Heard, P.E.	Bill.Heard@rrc.texas.gov	512-463-7320
*Nathan Nattin	Nathan.Nattin@rrc.texas.gov	512-463-6785
Tim Speer, P.E. Engineering Unit Manager	Tim.Speer@rrc.texas.gov	512-463-6452
Paul Dubois, P.E. Assistant Director	Paul.Dubois@rrc.texas.gov	512-463-6778

* Primary contacts for inquiries and exception applications,

Commissioner Contact Information



Christi Craddick, Chairman

Ryan Sitton, Commissioner

Wayne Christian, Commissioner

1701 N. Congress Ave.

P.O. Box 12967

Austin, TX

78711-2967