

Texas Administrative Code

TITLE 16

ECONOMIC REGULATION

PART 1

RAILROAD COMMISSION OF TEXAS

CHAPTER 3

OIL AND GAS DIVISION

RULE §3.32

Gas Well Gas and Casinghead Gas Shall Be Utilized for Legal Purposes

- (a) The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.
- (1) Fugitive emissions--Releases of gas from lease production, gathering, compression, or gas plant equipment components, including emissions from valve stems, pressure relief valves, flanges and connections, gas-operated valves, compressor and pump seals, pumping well stuffing boxes, casing-to-casing bradenheads subject to the provisions of §3.17 of this title (relating to Pressure on Bradenhead), pits, and sumps, that cannot reasonably be captured and sold or routed to a vent or flare.
 - (2) Gathering system--Facilities employed to collect, compress, and transport gas to another gas gathering system, a gas plant, compression facility, or transmission line.
 - (3) Lease production facilities--Production, separation, treating, compression, flowlines, storage, and other production handling equipment employed on a lease in the production of gas, condensate, and oil.
 - (4) Low pressure separator gas--Gas separated or liberated from a gas-liquid stream in a low pressure separation facility. Low pressure separation facilities include but are not limited to separators, treaters, free water knockouts, and other associated equipment.
 - (5) Tank vapors--Gas which evolves from oil, condensate, or water when placed in a gunbarrel or storage tank.
- (b) Activities authorized by this section may be subject to rules and regulations promulgated by the United States Environmental Protection Agency under the federal Clean Air Act or the Texas Commission on Environmental Quality under the Texas Clean Air Act.
- (c) **General Provisions.** All gas from any oil well, gas well, gas gathering system, gas plant or other gas handling equipment shall be utilized for purposes and uses authorized by law, except as provided in this section. This section does not apply to gas transmission or gas distribution facilities or operations.
- (d) **Exempt Gas Releases.**
- (1) 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, such as meters, are not required by the commission to be reported or charged against lease allowable production and are not subject to the remaining requirements of this section. Releases of gas exempt from the requirements of this section under this paragraph include, but are not limited to, the following:
 - (A) tank vapors from crude oil storage tanks, gas well condensate storage tanks, or salt water storage tanks, including makeup gas for gas blanket maintenance;
 - (B) fugitive emissions of gas;
 - (C) amine treater, glycol dehydrator flash tank and/or reboiler emissions;
 - (D) blowdown gas from flow lines, gathering lines, meter runs, pressurized vessels, compressors, or other gas handling equipment for construction, maintenance or repair;
 - (E) gas purged from compressor cylinders or other gas handling equipment for startup;

- (F) gas released at a wellsite during drilling operations and prior to the completion date of the well, including gas produced during air or gas drilling operations or gas which must be separated from drilling fluids using a mud-gas separator, or mud-degasser; or
- (G) gas released at a wellsite during initial completion, recompletion in another field, or workover operations in the same field, including but not limited to perforating, stimulating, deepening, cleanout, well maintenance or repair operations.

- (2) Notwithstanding the foregoing, the commission or the commission's delegate may require the flaring of releases of gas not readily measured by devices routinely used in the operation of oil wells, gas wells, gas gathering systems, or gas plants, such as meters, if the commission or the commission's delegate determines that flaring is required for safety reasons.

(e) Gas Releases to be Burned in a Flare.

- (1) Except as otherwise provided in subsections (d), (f)(1)(B) and (C), (g)(2), or an exception granted under subsection (h) of this section, all gas releases of greater than 24 hours duration authorized under the provisions of this section shall be burned in a flare if the gas can be burned safely. All gas releases of 24 hours' duration or less authorized under the provisions of this section may be vented to the air if flaring is not required for safety reasons or by other regulation and the gas can be safely vented.
- (2) Gas releases authorized under this section must be managed in accordance with the provisions of §3.36 of this title (relating to Oil, Gas, or Geothermal Resource Operation in Hydrogen Sulfide Areas) when applicable.
- (3) An exception to the requirements of this subsection may be granted under subsection (h) by the commission or the commission's delegate to allow the venting of gas to the air for releases of greater than 24 hours' duration if the operator presents information that shows the gas cannot be both safely and continuously burned in a flare, and the gas can be safely vented.
- (4) Notwithstanding the provisions of paragraph (1) of this subsection or an exception granted under subsection (h), the commission or the commission's delegate may require that the gas be flared if flaring is required for safety reasons.

(f) Gas Releases in Oil and Gas Production Operations.

- (1) The following releases of gas resulting from routine oil and gas production operations are necessary in the efficient drilling and operation of oil and gas wells and are hereby authorized subject to the requirements of subsection (e) of this section. The released gas shall be measured or estimated in accordance with §3.27 of this title (relating to Gas To Be Measured and Surface Commingling of Gas) and reported and charged against lease allowable production.
 - (A) Gas may be released for a period not to exceed ten producing days after initial completion, recompletion in another field, or workover operations in the same field, including but not limited to perforating, stimulating, deepening, cleanout, well maintenance or repair operations.
 - (B) Gas from a well that must be unloaded or cleaned-up to atmospheric pressure may be vented to the air for periods not to exceed 24 hours in one continuous event or a total of 72 hours in one calendar month.
 - (C) In the event of a full or partial shutdown by a gas gathering system, compression facility, or gas plant, gas from a lease production facility served by that gas gathering system, compression facility or gas plant may be released for a period not to exceed 24 hours. The operator shall notify the appropriate commission district office by telephone or facsimile as soon as reasonably possible after the release of gas begins. An operator may continue the release by flaring or by venting of the gas, if flaring is not required for safety reasons or by other regulation, beyond the initial 24-hour period, pending commission approval or denial of

a request for an administrative exception under subsection (h) of this section. The operator shall file the request with the commission by the end of the next full business day following the first 24 hours of the release unless the deadline is extended by the commission or the commission's delegate.

- (D) Hydrocarbon gas contained in the waste stream from a membrane unit or molecular sieve used to remove carbon dioxide, hydrogen sulfide, or other contaminants from a gas stream may be released, provided that at least 85% of the hydrocarbon gas in the inlet gas stream is recovered and directed to a legal use.
 - (E) Low pressure separator gas, not to exceed 15 mcf of hydrocarbon gas per gas well or 50 mcf of hydrocarbon gas per commission-designated oil lease or commingling point for commingled operations, may be released.
- (2) The commission or the commission's delegate may administratively grant or renew an exception to the requirements or limitations of this subsection subject to the requirements of subsection (h) to allow additional releases of gas if the operator of a well or production facility presents information to show the necessity for the release. The volume of gas that is released must be measured or estimated in accordance with §3.27 of this title (relating to Gas To Be Measured and Surface Commingling of Gas) and reported on the appropriate commission form and shall be charged to the operator's allowable production. Necessity for the release includes, but is not limited to, the following situations:
- (A) Cleaning a well of solids or fluids or both for more than ten producing days following initial completion, recompletion in another field, or workover operations in the same field, including but not limited to perforating, stimulating, deepening, cleanout, or well maintenance or repair operations;
 - (B) Unloading excess formation fluid buildup in a wellbore for periods in excess of 24 hours in one continuous event or 72 hours total in one calendar month;
 - (C) 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;
 - (D) For casinghead gas only, the unavailability of a gas pipeline or other marketing facility, or other purposes and uses authorized by law; or
 - (E) Avoiding curtailment of gas production which will result in a reduction of ultimate recovery from a gas well or oil reservoir.
- (g) Gas releases from gas gathering system, gas plant or gas handling operations.**
- (1) The operator of a gas gathering system, gas plant, gas compressor facility or other gas handling equipment not directly associated with lease production of gas, shall not intentionally allow gas to be released for a period of more than 24 hours after the start of an upset condition. The operator shall notify the appropriate commission district office by telephone or facsimile as soon as reasonably possible after the release of gas begins. The volume of gas that is released must be measured or estimated in accordance with §3.27 of this title (relating to Gas To Be Measured and Surface Commingling of Gas) and reported on the appropriate commission form. The provisions of this subsection do not apply to accidental releases which are subject to or reported pursuant to any other commission rule.
 - (2) The commission or the commission's delegate may administratively grant or renew an exception to the requirements or limitations of this subsection and allow additional releases of gas for a period greater than 24 hours if the operator presents information that shows the necessity for the release. An operator may continue the release by flaring or by venting of the gas, if flaring is not

required for safety reasons or by other regulation, beyond the initial 24-hour period pending commission consideration of a request for an administrative exception under subsection (h) of this section. The request for exception is to be filed with the commission by the end of the next full business day following the first 24 hours of the release unless the deadline is extended by the commission or the commission's delegate. The following are examples of situations that may qualify for an exception under this paragraph:

- (A) gas gathering system or gas plant construction, repairs or maintenance;
- (B) gas plant turnaround; or
- (C) emergency situations.

(h) Exceptions. The commission or the commission's delegate may administratively grant an exception authorized by this section provided that the requirements of this subsection are met.

- (1) The request for an exception shall be accompanied by the fee required by §3.78(b)(5) of this title (relating to Fees and Financial Security Requirements).
- (2) An administrative exception shall not exceed a period of 180 days.
- (3) The 180-day limitation shall not apply for volumes of gas less than or equal to 50 mcf of hydrocarbon gas per day for each gas well, commission-designated oil lease, or commingled vent or flare point.
- (4) Requests for exceptions for more than 180 days and for volumes greater than 50 mcf of hydrocarbon gas per day shall be granted only in a final order signed by the commission.
- (5) A request for an exception to cover an operating emergency, system upset, or other unplanned condition may be submitted by facsimile transmission or other means, provided that an original signed request is accompanied by the fee required by subsection (h)(1) of this section and is received by the commission within three working days of the facsimile transmission request.
- (6) Exceptions shall be issued to the operator of a gas well or commission-designated oil lease or commingling point for commingled operations and to the operator of a processing plant or other facility subject to this section.
- (7) Exceptions are not transferable upon a change of operatorship. Operators shall have 90 days from the date of commission approval of a transfer of operatorship to review existing exceptions to this section and, if continuation of the exception is needed, to make application for a new exception. The existing exception and existing authority shall remain in effect during the 90-day review period. If an operator files an application and fee for a new exception before the 90-day review period expires and the 90-day review period expires before the commission acts on the application, the operator is authorized to continue to operate under the existing authority pending final commission action on the application.
- (8) One application for exception to the requirements of this section may be filed for multiple releases from gas wells, commission-designated oil leases, gas gathering systems, gas compressors or other gas handling facilities when the release of gas is the result of a full or partial shut-down of a gas gathering system, gas plant, gas compressor or other gas handling facility under subsection (f)(1)(C) or (g)(1). Each well, lease or facility must be clearly identified by the applicant and a single fee paid under §3.78(b)(5) of this title (relating to Fees and Financial Security Requirements).

(i) Renewal and Amendment of Exceptions.

- (1) The commission or the commission's delegate may renew an exception authorized by this section. An administrative renewal by the commission's delegate may not exceed a period of 180 days.
- (2) A renewal shall be based upon a showing by the operator of a well, lease, or other facility subject to this section, 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.

- (3) An operator shall file an application and fee for renewal of an exception with the commission 21 days prior to expiration of the existing exception authority. The request for renewal shall be accompanied by the fee required by §3.78(b)(5) of this title (relating to Fees and Financial Security Requirements).
- (4) If an operator files an application, accompanied by the required fee, for renewal of an existing exception to the requirements of this section at least 21 days before the expiration of the existing exception and the existing authority expires before the commission acts on the application, the operator is authorized to continue to operate under the existing authority pending final commission action on the application.
- (5) The request by an operator to amend an existing exception will require a new application for exception if the amendment will result in a material change of the previously granted exception.
- (6) Material changes include, but are not limited to, the following:
 - (A) Change of operator of the well or facility subject to this section; and
 - (B) An increase in volume of gas to be released or an extension of the duration of an exception greater than that provided for in subsection (h) of this section.

(j) Opportunity for hearing.

- (1) An operator may request a hearing on any application for an exception or exception renewal required by this section.
- (2) An operator may request a hearing on any request for administrative approval of an exception or exception renewal that has been denied by the commission or the commission's delegate.

Source Note: The provisions of this §3.32 adopted to be effective December 4, 1996, 21 TexReg 11367; amended to be effective July 10, 2000, 25 TexReg 6487; amended to be effective September 1, 2004, 29 TexReg 8271

The Statewide Rule 32 Data Sheet can be downloaded from the RRC website at:

<https://www.rrc.state.tx.us/media/8015/swr32datasht.pdf>