

March 7, 2007

**OIL & GAS DOCKET NO. 01-0250295**

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**THE APPLICATION OF REGENCY FS LP TO CONSTRUCT AND OPERATE A HYDROGEN SULPHIDE GAS PIPELINE, THE VIRTEX EXTENSION, FRIO COUNTY, TEXAS**

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**APPLICATION REVIEWED BY:** Thomas H. Richter, P.E.

**DATE REVIEWED:** March 7, 2007

**DATE EXAMINER RECEIVED FILE:** March 5, 2007

**DATE APPLICATION FILED:** January 24, 2007

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

This is the unprotested application of Regency FS LP ("Regency") for Commission authority pursuant to Statewide Rules 106, 70 and 36 for approval to construct and operate a hydrogen sulphide (H<sub>2</sub>S) gas pipeline in Frio County.

The Commission's Field Operations Section recommends approval. The Commission's Pipeline Safety and Gas Services Sections have reviewed the application. The examiner recommends approval of the application.

**DISCUSSION OF THE EVIDENCE**

The proposed Regency FS LP, Virtex Extension gas pipeline (which will be located in Frio County only) will connect Virtex Petroleum gas wells to the Regency Tilden Gas Plant (ID No. 01-0253) in McMullen County. The pipeline will connect to the Regency Frio Newline LP's 8" pipeline (T-4 #06197) in the Pearsall System (T-4 #07068). The pipeline will be operated under the Tilden system guidelines and the Tilden System H<sub>2</sub>S Contingency plan. The pipeline will be ±8.4 miles in length composed of 8" steel pipe. The maximum operating pressure of the line is 1000 psig. The gathering line will carry a maximum of 1,125 MCFD.

The H<sub>2</sub>S concentration is 5,671 parts per million (ppm). The 100 ppm radius of exposure (ROE) is 371 feet and the 500 ppm ROE is 147 feet. There are no public areas or public roads within the 100 ppm or 500 ppm ROE's. A contingency plan for this extension is not required as no public area is affected pursuant to provisions of Statewide Rule 36(c)(7).

All materials will satisfy the requirements described in the latest editions of NACE Standard MR-01-75. The handling and installation of materials and equipment used in hydrogen sulphide service are to be performed in such a manner so as not to induce susceptibility to Sulphide Stress Cracking. The proposed line will comply with Statewide Rule 36(c)(8).

Regency FS LP published notice of the application in a newspaper of general circulation in Frio County. The notice was published in *The Frio-Nueces Current* on February 1, 2007. The application was filed with the Frio County Clerk on February 1, 2007.

### **FINDINGS OF FACT**

1. On January 24, 2007, Regency FS LP filed an application for a permit to construct hydrogen sulphide gas gathering pipeline in Frio County.
2. Regency FS LP published notice of the application in a newspaper of general circulation in Webb County. The notice was published in *The Frio-Nueces Current* on February 1, 2007. The application was filed with the Frio County Clerk on February 1, 2007.
3. The proposed Regency FS LP, Virtex Extension gas pipeline (which will be located in Frio County only) will connect Virtex Petroleum gas wells to the Regency Tilden Gas Plant (ID No. 01-0253) in McMullen County. The pipeline will connect to the Regency Frio Newline LP's 8" pipeline (T-4 #06197) on the Pearsall System (T-4 #07068).
4. The proposed line will be  $\pm 8.4$  miles in length composed of 8" steel pipe.
  - a. The maximum operating pressure of the line is 1000 psig.
  - b. The maximum volume capacity of the line is 1,125 MCFD.
  - c. The H<sub>2</sub>S concentration is 5,671 parts per million (ppm).
  - e. The 100 ppm radius of exposure (ROE) is 371 feet and the 500 ppm ROE is 147 feet.
  - f. There are no public areas or public roads within the 100 ppm or 500 ppm ROE's.
5. Pipeline materials and construction meet the NACE standards as required by Statewide Rule 36 for hydrogen sulphide service.
6. A contingency plan is not required as no public area is affected pursuant to provisions of Statewide Rule 36(c)(7).

7. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36(c)(6)(8) and (13).
8. The Commission's Field Operations Section recommends approval. The Commission's Pipeline Safety Division and Gas Services Division have reviewed the application.

**CONCLUSIONS OF LAW**

1. Proper notice was timely given to all parties entitled to notice pursuant to applicable statutes and rules.
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3. All things have occurred and have been accomplished to give the Commission jurisdiction in this case.
4. The application complies with Statewide Rules 36, 70 and 106.
5. Approving the application for a permit to construct and operate the proposed gas pipeline is consistent with the rules and safety standards adopted by the Commission.

**EXAMINER'S RECOMMENDATION**

The examiner recommends that the application of Regency FS LP for Commission authority pursuant to Statewide Rules 106, 70 and 36 for approval to construct and operate the proposed hydrogen sulphide gas pipeline in Frio County be approved.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel