



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0286049

THE APPLICATION OF EOG RESOURCES, INC., TO CONSTRUCT A SOUR GAS PIPELINE, PEELER GATHERING SYSTEM, ATASCOSA AND MCMULLEN COUNTIES, TEXAS

APPLICATION REVIEWED BY: Paul Dubois – Technical Examiner

DATE APPLICATION FILED: November 19, 2013

DATE REVIEWED: February 20, 2013

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the application of EOG Resources, Inc., (EOG) for Commission authority to construct and operate a hydrogen sulfide (H₂S) gas pipeline in Atascosa and McMullen Counties, pursuant to Statewide Rules 36, 70 and 106. This application is for 29.98 miles of new pipeline construction as a part of EOG's Peeler Gathering System (T-4 Permit No. 08274), bringing that system up to about 80 miles of pipeline in sour service.

Notice of the application was filed with the Atascosa County Clerk in Jourdanton on October 2, 2013 and published in the *Pleasanton Express*, a newspaper of general circulation in Atascosa County, on October 2, 9, 16 and 23, 2013. Notice of the application was filed with the McMullen County Clerk in Tilden on October 2, 2013 and was published in *The Progress*, a newspaper of general circulation in McMullen County, on October 2, 9, 16 and 23, 2013.

The application was protested by Frank and Patti Massaro who own property near the proposed pipeline, 2,046 feet west of the 100 ppm radius of exposure. The Massaros are not affected parties because their property is not within the area of influence as defined in the Rule, and therefore they do not have standing to protest EOG's application. An interim ruling on the Massaros' standing was issued by Commission staff on January 13, 2014; no appeals to the ruling were received.

The Commission's Field Operations section has reviewed the application and has determined that the application complies with the applicable provisions of Statewide Rule

36. In addition, the Commission's Safety Division and Gas Services Division have reviewed the application and recommend approval. The examiner has also reviewed the application and recommends approval.

DISCUSSION OF THE EVIDENCE

EOG's Peeler Gathering System is an existing system located in Atascosa and McMullen Counties, Texas (see Attachment). The system extends from about 8 miles north of Christine in Atascosa County to the very northern part of McMullen County. The existing gathering system will be improved by seven segments of approximately 29.98 miles of new construction. The seven segments of new construction include both replacement sections and extensions to the existing system. The new construction will be 12-inch gathering lines that will deliver sour gas to the Regency 10-inch sour pipeline or treated sweet gas to the Enterprise Dimmit 20-inch rich pipeline. The Contingency Plan submitted by EOG is for the entire Peeler Gathering System, which will total about 80 miles in length, including existing and new segments.

The pipeline will have a maximum allowable operating pressure (MAOP) of 1,200 psig, and it will carry 20,000 MCFD gas containing up to 20,000 ppm H₂S. It will be constructed of 12-inch X52 steel, NACE MR0175 "Hardness Only", and API 5L Annex H compliant pipe that has been accepted by the Commission for sour service. EOG shall maintain a chemical treating program and cathodic protection system to help prevent corrosion of the pipe. The line will be buried and will be properly marked with H₂S and operator identification signs along the right of way and road crossings. EOG will also provide public outreach to education the public on H₂S safety.

The system will be equipped with high-pressure and low-pressure emergency shutdown systems along the line, H₂S monitors, and all pipeline and compressor station operations will be remotely monitored 24 hours per day via a SCADA system. The high-pressure and low-pressure shutdown systems and relief valves will be piped to an emergency flare. A compliant Statewide Rule 36 Contingency Plan has been prepared and submitted for the new pipeline.

The 500 ppm radius of exposure (ROE) is 1,957 feet and the 100 ppm ROE is 4,282 feet. Texas Department of Transportation (TXDOT) roadway data indicate there are 15 public roads that cross through the 500 ppm area of exposure. Additionally, there are four named roads and several unnamed residential and service roads that are not indicated on the TXDOT data but are visible from aerial and topographic maps. There are five residences within the 500 ppm ROE and two residences within the 100 ppm ROE.

FINDINGS OF FACT

1. On November 19, 2013, EOG filed an application for a permit to construct a hydrogen sulfide gas pipeline in Atascosa and McMullen Counties.
2. Notice of the application was filed with the Atascosa County Clerk in Jourdanton on October 2, 2013 and published in the *Pleasanton Express*, a newspaper of general circulation in Atascosa County, on October 2, 9, 16 and 23, 2013.
3. Notice of the application was filed with the McMullen County Clerk in Tilden on October 2, 2013 and was published in *The Progress*, a newspaper of general circulation in McMullen County, on October 2, 9, 16 and 23, 2013.
4. The existing gathering system will be improved by seven segments of approximately 29.98 miles of new construction. The seven segments of new construction include both replacement sections and extensions to the existing system.
 - a. The pipeline will be 12-inches in diameter and 29.98 miles in length.
 - b. The pipeline will carry a maximum of 20 MMCFGPD containing 20,000 parts per million (ppm) of H₂S.
 - c. The maximum operating pressure will be 1,200 psig.
 - d. The total length of the Peeler Gathering System will be about 80 miles.
5. The 500 ppm radius of exposure ("ROE") is 1,957 feet and the 100 ppm ROE is 4,282 feet.
6. Five residences are located within the 500 ppm ROE and two residences are located in the 100 ppm ROE.
7. Portions of fifteen public roads are located within the ROEs, in addition to several other roads.
8. Pipeline materials and construction meet the NACE and API standards, as required by Statewide Rule 36 for hydrogen sulfide service.
9. The submitted contingency plan for the pipeline is in accordance and

complies with the provisions of Statewide Rule 36(c)(9).

10. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36.
11. The Commission's Field Operations Section, Pipeline Safety Division and Gas Services Division have reviewed the application and recommend approval.

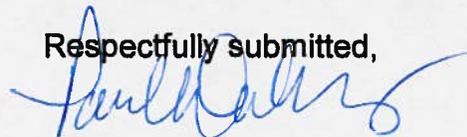
CONCLUSIONS OF LAW

1. Proper notice was timely given to all parties entitled to notice pursuant to applicable statutes and rules.
2. All things have occurred and have been accomplished to give the Commission jurisdiction in this case.
3. The application complies with Statewide Rules 36, 70 and 106.
4. 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

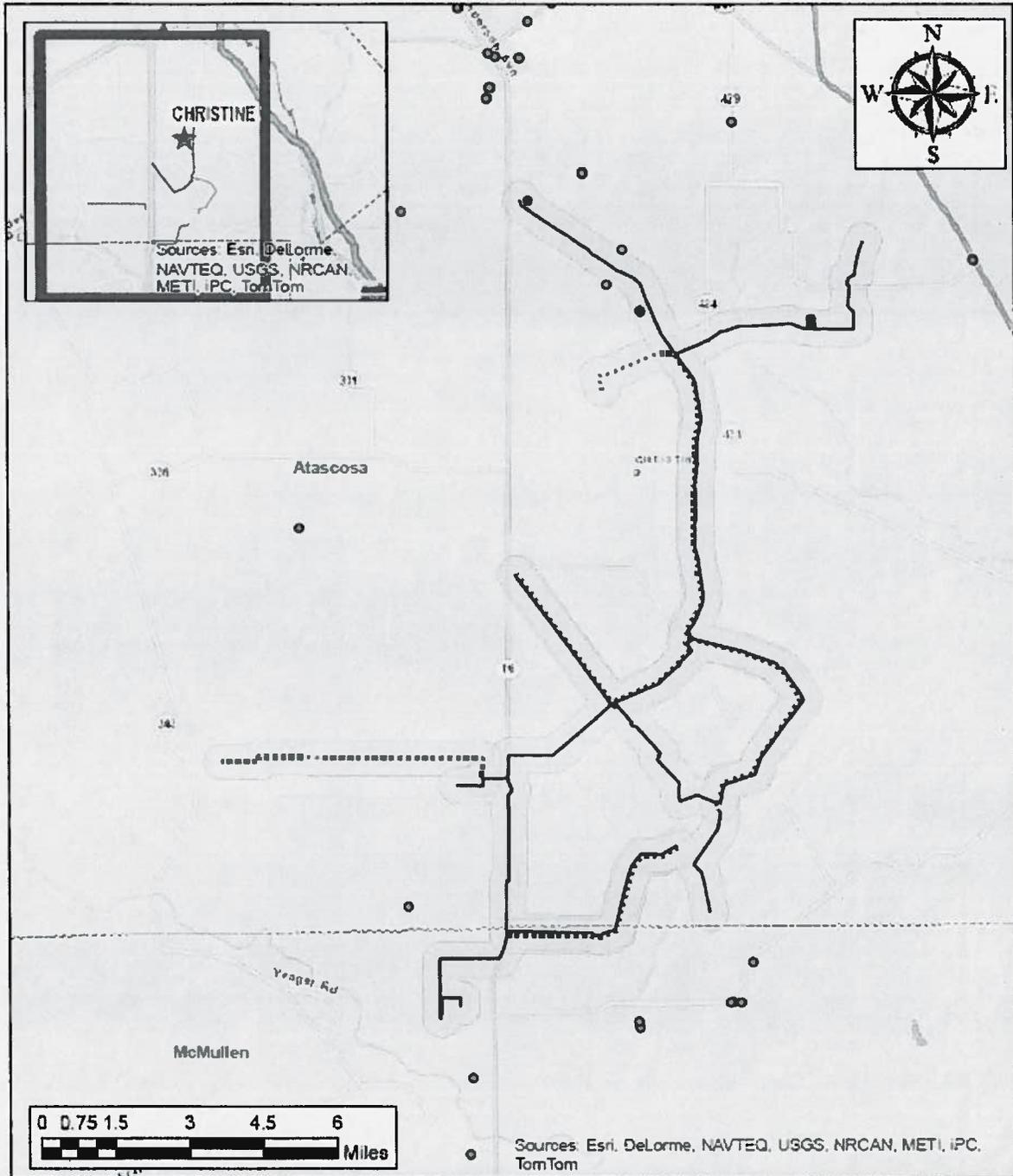
The examiner recommends that the Commission approve the application for authority pursuant to Statewide Rules 36, 70 and 106, to construct and operate the additional 29.98 miles of pipeline added to the Peeler Gathering System hydrogen sulfide gas pipeline in Atascosa and McMullen Counties, as requested by EOG Resources, Inc..

Respectfully submitted,



Paul Dubois
Technical Examiner

ATTACHMENT





eog resources

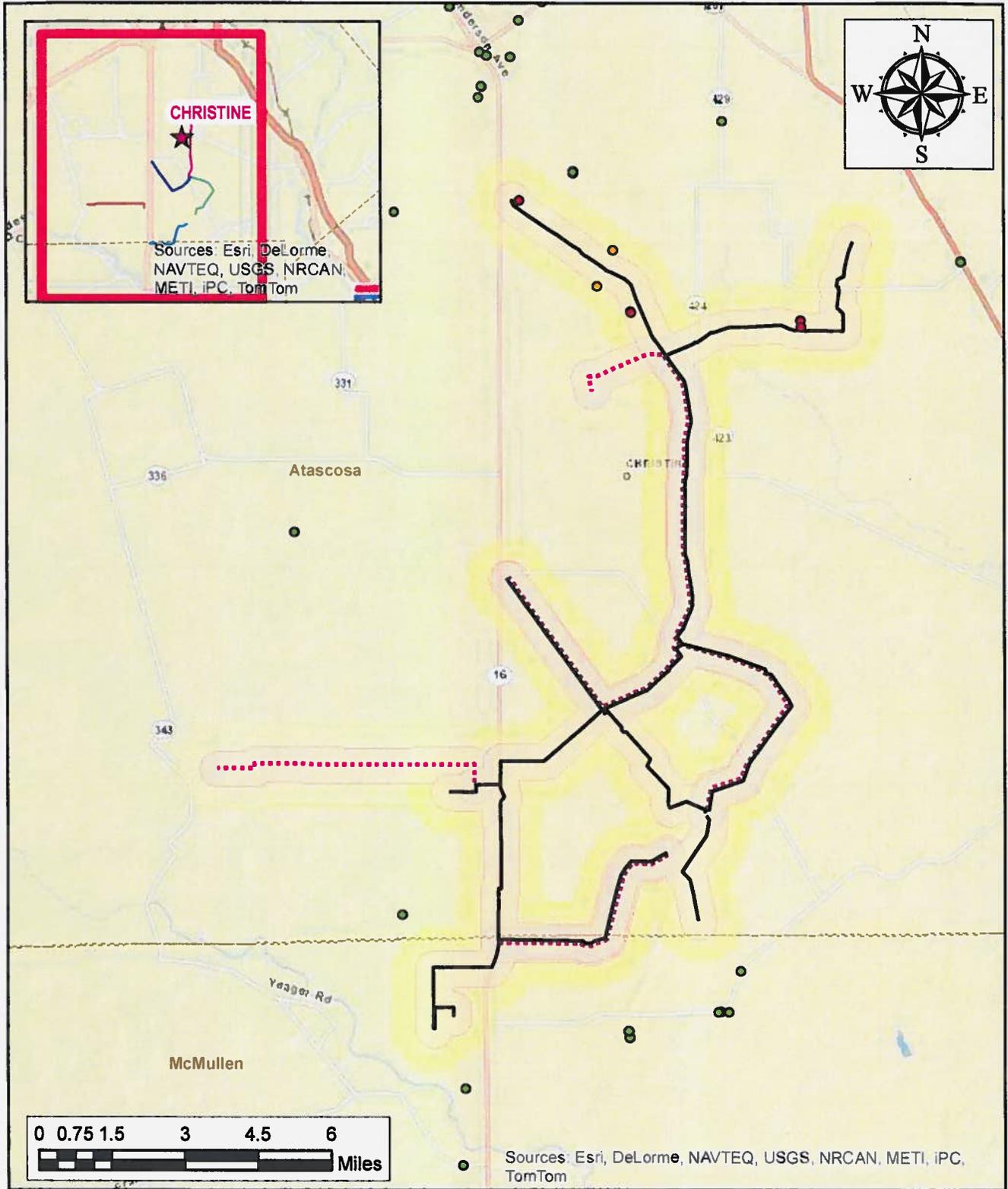
PEELER GGS

Public Impact Point & Radius Of Exposure Street Map

Legend

Peeler GGS (Existing)	Preliminary Impact Points
500 ppm ROE (1,957')	Not Affected
100 ppm ROE (4,262')	Within 100 ppm ROE
Peeler GGS (NG)	Within 500 ppm ROE
500 ppm ROE (1,957')	
100 ppm ROE (4,262')	

Date: 3/4/2014
Coordinate System: NAD 1983 StatePlane Texas South Central FIPS 4204



PEELER GGS

Public Impact Point & Radius Of Exposure Street Map

Legend	
Peeler GGS (Existing)	Preliminary Impact Points
500 ppm ROE (1,957')	Not Affected
100 ppm ROE (4,282')	Within 100 ppm ROE
Peeler GGS (NC)	Within 500 ppm ROE
500 ppm ROE (1,957')	
100 ppm ROE (4,282')	