

February 21, 2007

OIL & GAS DOCKET NO. 05-0250370

THE APPLICATION OF TREND GATHERING & TREATING, LP TO CONSTRUCT AND OPERATE A HYDROGEN SULPHIDE GAS PIPELINE, AN EXTENSION OF THE TEAGUE SOUR GAS GATHERING SYSTEM, THE IRVIN EXTENSION, FREESTONE COUNTY, TEXAS

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

DATE APPLICATION FILED: January 29, 2007

DATE APPLICATION RECEIVED BY EXAMINER: February 16, 2007

DATE REVIEWED: February 21, 2007

EXAMINER'S REPORT AND RECOMMENDATION
STATEMENT OF THE CASE

This is the unprotested application of Trend Gathering & Treating, LP (an indirectly owned subsidiary of XTO Energy Inc.) for Commission authority pursuant to Statewide Rules 106, 70 and 36 for approval to construct and operate a hydrogen sulphide (H₂S) gas pipeline in Freestone 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 Teague Sour Gas Gathering System (T-4 Permits No. 06595) gathers full well stream gas from area wells that produce gas containing hydrogen sulphide. This particular section of the gathering system will gather gas from the Irvin Well No. 10 and will tap into an existing 12" line that connects to the Teague Compressor Station which delivers gas to the Teague Townsite Gas Plant. The gathering system, the compressor stations and the gas plant have their own H₂S contingency plans. Trend proposes a 10" low pressure suction gathering line. The proposed line will be approximately 9,100 feet in length. The low pressure line will deliver gas, water and minuscule amounts of condensate to the Teague Compressor Station where gas will be separated from liquids, compressed and sent south to the Teague Gas Plant. The line will operate between 30 and 75 psig and the maximum allowed operating pressure will be 800 psig (maximum designed pressure is 1400 psig). If the pressure on the line reaches 800 psig the compressors will shut down and default to the flare at the compressor station. If the line pressure at a station decreases to 15 psig or less, the compressor will shut down on low suction pressure. The maximum through put of the line will not exceed 8 MMCFD.

The H₂S concentration is 1800 parts per million (ppm). The 100 ppm ROE is 535 feet and

the 500 ppm ROE is 244 feet. The 100 ppm ROE includes the crossing of County Roads 710, 711 and 720 and one occupied dwelling. The 500 ppm ROE includes the occupied dwelling and portions of County Roads 710 and 711.

The submitted contingency plan for the gathering line is in accordance and complies with the provisions of Rule 36(c)(9).

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 gathering line will be new API 5L X-52 Grade steel pipe equipped with a cathodic protection system for external corrosion control. All welds will be x-rayed. The lines will be chemically treated as needed for internal corrosion and monitored with corrosion coupons. H₂S warning signs compliant with Rule 36(c)(6)(A) and (c)(6)(B) will be posted at all public road crossings as well as intervals along the pipeline frequent enough as to provide warning to avoid accidental rupture of the line by excavation. The signs will indicate poison gas, company name and emergency phone numbers. The lines will be buried more than 5 feet below ground level at road crossings and 3 feet along the rest of the right-of-way. The line does not cross into the Teague City Limits.

The proposed line will comply with Statewide Rule 36(c)(8). This is an area that has had H₂S gas production and transmission for many years.

Trend Gathering & Treating published notice of the application in a newspaper of general circulation in Freestone County. The notice was published in *The Teague Chronicle* on January 11, 2007. The application was filed with the Freestone County Clerk on January 19, 2007.

FINDINGS OF FACT

1. On January 29, 2007, Trend Gathering & Treating, LP filed an application for a permit to construct a hydrogen sulphide gas gathering pipeline extension in Freestone County.
2. Trend Gathering & Treating published notice of the application in a newspaper of general circulation in Freestone County. The notice was published in *The Teague Chronicle* on January 11, 2007. The application was filed with the Freestone County Clerk on January 19, 2007.
3. The Teague Sour Gas Gathering System (T-4 Permits No. 06595) gathers full well stream gas from area wells that produce gas containing hydrogen sulphide. This particular section of the gathering system will gather gas from the Irvin Well No. 10 and will tap into an existing 12" line that connects to the Teague Compressor Station which delivers gas to the Teague Townsite Gas Plant. The gathering system, the compressor stations and the gas plant have their own H₂S contingency plans.

4. Trend proposes a 10" low pressure suction gathering line that will be approximately 9,100 feet in length.
 - a. The low pressure line will deliver gas, water and minuscule amounts of condensate to the Teague Compressor Station where gas will be separated from liquids, compressed and sent south to the Teague Gas Plant.
 - b. The line will operate between 30 and 75 psig and the maximum allowed operating pressure will be 800 psig.
 - d. The maximum through put of the line will not exceed 8 MMCFD.
 - e. The hydrogen sulphide (H₂S) concentration is 1800 parts per million (ppm).
 - f. The 100 ppm ROE is 535 feet and the 500 ppm ROE is 244 feet.
 - g. The 100 ppm ROE includes the crossings of County Roads 710, 711 and 720 and one occupied dwelling. The 500 ppm ROE includes the occupied dwelling and portions of County Roads 710 and 711.
5. Pipeline materials and construction meet the NACE standards as required by Statewide Rule 36 for hydrogen sulphide service.
6. The submitted contingency plan for the line is in accordance and complies with the provisions of Rule 36(c)(9).
7. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36(c)(6)(7)(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.
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 application of Trend Gathering & Treating, LP for Commission authority pursuant to Statewide Rules 106, 70 and 36 for approval to construct and operate the proposed hydrogen sulphide gas pipeline extension in Freestone County be approved.

Respectfully submitted,

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