



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

OIL & GAS DOCKET NO. 05-0276503

THE APPLICATION OF TREND GATHERING & TREATING, LP TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE, 8-INCH ORAND "A" 7 TO ORAND "A" 2, NORTH REED GATHERING SYSTEM, FREESTONE COUNTY, TEXAS

APPLICATION REVIEWED BY: Brian Fancher, P.G. - Technical Examiner

DATE APPLICATION FILED: May 24, 2012

DATE REVIEWED: June 16, 2012

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the unopposed application of Trend Gathering & Treating, LP ("Trend") for Commission authority to construct and operate a hydrogen sulfide (H₂S) gas pipeline in Freestone County, pursuant to 16 TAC §§ 3.36, 3.70, and 3.106.

Trend published notice of the application in a newspaper of general circulation in Freestone County. The notice was published in the *The Teague Chronicle* on May 24, 2012. The application was also filed with the Freestone County Clerk on May 23, 2012.

The Commission's Field Operations section has reviewed the application and has determined that it complies with the applicable provisions of 16 TAC §3.36. Also, the Commission's Safety Division and Gas Services Division have reviewed the application with respect to the applicable provisions of 16 TAC §§3.70 and 3.106. Additionally, the examiner has reviewed the application and recommends approval, as requested by Trend.

DISCUSSION OF THE EVIDENCE

Trend proposes construction of a gas gathering pipeline to collect produced natural gas from the Orand "A" 7 and Orand "A" 2 gas wells. Once the gas is collected it will be transported through Trend's proposed pipeline to the Willard Compression Facility in the North Reed Gathering System

area. The proposed line will be 8 inches in diameter and approximately 0.74 miles in length. The proposed line will be a new construction and an extension of the existing Orand 8-inch low pressure pipeline (T-4 No. 08416).

In its request, Trend proposed the new pipeline will carry a maximum of 5 MMCFGPD containing up to 7,500 parts per million (ppm) of H₂S. The line will operate between an average pressure from 40 to 60 psig, with a maximum operating pressure of 1,200 psig.

As proposed, the pipeline will be located in central Freestone County, approximately 0.5 miles east of Fairfield, Texas. The 100 ppm radius of exposure ("ROE") is 973 feet and the 500 ppm ROE is 445 feet. The subject application identified that seven dwellings made of three residences, two churches, one fellowship hall, and one commercial building are located within the 100 ppm ROE. No dwelling is within the 500 ppm ROE. In addition, County Road 236, County Road 237, and two residential roads are within 100 ppm ROE. One residential road is within the 500 ppm ROE. The submitted contingency plan for the proposed gathering pipeline complies with the provisions of Statewide Rule 36(c)(9).

All materials will satisfy the requirements described in the latest editions of NACE Standard MR-0175-2003. The gathering line will be constructed of API-5L-X52 FBE grade steel pipe. The line will be equipped with cathodic protection to prevent external corrosion. The line will be chemically treated as needed for internal corrosion and monitored with corrosion coupons. The line will be buried a minimum of 3 feet along the right-of-way and 5 feet at road crossings.

H₂S warning signs compliant with Rule 36(c)(6)(A) and (c)(6)(B) will be posted at all 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 proposed pipeline will comply with Statewide Rule 36(c)(8). The pipeline will be equipped with emergency shutdown systems, including low-high pressure shutdown at the wellheads, H₂S monitors with audio, visual, and dial-out alarms, and all pipelines and compressor station operations will be monitored 24/7 by manned gas control.

FINDINGS OF FACT

1. On May 24, 2012, Trend Gathering & Treating, LP ("Trend") filed an application with the Railroad Commission of Texas for a permit to construct a hydrogen sulfide gas gathering pipeline located in Freestone County.
2. Trend published notice of the application in a newspaper of general circulation in Freestone County. The notice was published in the *The Teague Chronicle* on May 24, 2012. The application was also filed with the Freestone County Clerk on May 23, 2012.

3. Trend proposes construction of a gas gathering pipeline to transport produced natural gas from the Orand "A" 7 and Orand "A" 2 gas wells in the North Reed Area in Freestone County, Texas.
 - a. The line will be 8 inches in diameter and approximately 0.74 miles in length.
 - b. The line will carry a maximum of 5 MMCFGPD containing up to 7,500 ppm of H₂S.
 - c. The maximum operating pressure will be 1,200 psig.
4. The 100 ppm Radius of Exposure ("ROE") is 973 feet and the 500 ppm ROE is 445 feet.
 - a. The pipeline is located in central Freestone County, approximately 0.5 miles east of Fairfield, Texas.
 - b. There are seven dwellings located within the 100 ppm ROE. No dwellings are located within the 500 ppm ROE.
 - c. There are two county roads and two residential roads located within the 100 ppm ROE. One residential road is located within the 500 ppm ROE.
5. Pipeline materials and construction meet the NACE and API standards as required by Statewide Rule 36 for hydrogen sulfide service.
6. The submitted contingency plan for the line is in accordance and complies with the provisions of 16 TAC §3.36.
7. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to 16 TAC§3.36(c)
8. 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 presented 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 16 TAC §§3.36, 3.70, and 3.106.

4. Approving the application for a permit to construct and operate the proposed hydrogen sulfide 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 16 TAC §§3.36, 3.70, and 3.106, to construct and operate the proposed hydrogen sulfide gas pipeline in Freestone County be approved.

Respectfully submitted,



Brian Fancher, P.G.
Technical Examiner