



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

OIL & GAS DOCKET NO. 05-0274316

THE APPLICATION OF TREND GATHERING & TREATING, LP TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE, THE KING SOUR SECTION 8" DISCHARGE PIPELINE, SOUR BEAR GRASS GAS GATHERING SYSTEM, BEAR GRASS FIELD, LEON COUNTY, TEXAS

APPLICATION REVIEWED BY: Brian K. Fancher- Technical Examiner

DATE APPLICATION FILED: January 17, 2012

DATE REVIEWED: March 28, 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 Leon County, pursuant to Statewide Rules 36, 70 and 106.

Trend published notice of the application in a newspaper of general circulation in Leon County. The notice was published in the *The Buffalo Press* on January 16, 2012. The application was also filed with the Leon County Clerk on January 17, 2012.

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. The examiner has also reviewed the application and recommends approval.

DISCUSSION OF THE EVIDENCE

Trend proposes construction of a gas gathering pipeline to collect produced natural gas from leases operated by XTO Energy and delivered to a third party transport pipeline located in the Bear Grass Field area. The line will be 8 inches in diameter and approximately 0.33 miles in length. The proposed line will be a new construction and an extension of the Sour Bear Grass Gas Gathering System. The new

pipeline will carry a maximum of 4.8 MMCFGPD containing up to 3,500 parts per million (ppm) of H₂S. The line will operate between an average pressure from 850 to 900 psig, with a maximum operating pressure of 1,200 psig.

The 100 ppm radius of exposure ("ROE") is 2,488 feet and the 500 ppm ROE is 1,137 feet. The pipeline is located in a rural area of Leon County, approximately 4.65 miles northwest of the town of Jewitt, Texas. As presented in the application, no residence or dwelling is located within the 100 ppm or 500 ppm ROEs. One public road, Farm to Market 39, is located within both ROEs. 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 January 17, 2012, Trend Gathering & Treating, LP filed an application for a permit to construct a hydrogen sulfide gas gathering pipeline located in Leon County.
2. Trend published notice of the application in a newspaper of general circulation in Leon County. The notice was published in the *The Buffalo Press* on January 16, 2012. The application was also filed with the Leon County Clerk on January 17, 2012.
3. Trend proposes construction of a gas gathering pipeline to transport produced natural gas from leases operated by XTO in the Bear Grass Field area.
 - a. The line will be 8 inches in diameter and approximately 0.33 miles in length.

- b. The line will carry a maximum of 4.8 MMCFGPD containing up to 3,500 ppm of H₂S.
 - c. The maximum operating pressure will be 1,200 psig.
- 4. The 100 ppm ROE is 2,488 feet and the 500 ppm ROE is 1,137 feet.
 - a. The pipeline is located in a rural area of Leon County, approximately 4.65 miles northwest of the town of Jewitt, Texas.
 - b. There are no residential structures and one public road located within the ROEs.
- 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 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, 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 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 Statewide Rules 36, 70 and 106, to construct and operate the proposed hydrogen sulfide gas pipeline in Leon County, be approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian Fancher". The signature is written in a cursive style with a large initial "B".

Brian K. Fancher
Technical Examiner

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION**

**OIL AND GAS DOCKET
NO. 05-0274316**

**IN THE BEAR GRASS () FIELD, LEON
COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF TREND GATHERING & TREATING, LP
TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE,
THE KING SOUR SECTION, 8" DISCHARGE PIPELINE
BEAR GRASS FIELD AREA
LEON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket reviewed on March 28, 2012, the reviewing examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiner's report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Trend Gathering & Treating, LP to construct and operate a hydrogen sulfide gas pipeline to transport produced gas from leases operated by XTO Energy, Inc. in the King Sour Section, 8" Discharge Pipeline, Bear Grass Field area, Leon County, Texas, is hereby approved. Trend Gathering & Treating, LP shall comply with all applicable rules and safety standards adopted by the Commission for the construction and operation of hydrogen sulfide gas pipelines.

Done this 24th day of April, 2012.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN BARRY T. SMITHERMAN

COMMISSIONER DAVID PORTER

COMMISSIONER BUDDY GARCIA

ATTEST:

SECRETARY