



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 05-0282684

THE APPLICATION OF TREND GATHERING & TREATING, LLC TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE, 8-INCH HUNTER EXTENSION SOUR BEAR GRASS GATHERING SYSTEM, LEON COUNTY, TEXAS

APPLICATION REVIEWED BY: Paul Dubois

DATE APPLICATION FILED: May 20, 2013

DATE REVIEWED: July 1, 2013

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the unopposed application of Trend Gathering & Treating, LLC ("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 is an indirectly wholly owned subsidiary of XTO Energy, Inc.

Trend published notice of the application in a newspaper of general circulation in Leon County. The notice was published in *The Buffalo Press* on January 15, 2013. The application was filed with the Leon County Clerk on January 15, 2013.

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

Trend proposes construction of a sour gas pipeline extension to transport gas from acreage XTO Energy Inc. is developing in the Bear Grass Field to a third party gatherer. The subject pipeline will be new construction and an extension of the 8.7 mile pipeline under permit no. 07323. The pipeline extension will be 8 inches in diameter, 1.6 miles in length and will carry a maximum of 40 MMCFGPD containing 2,000 parts per million (ppm)

of H₂S. The maximum operating pressure will be 1,200 psig with a normal operating pressure of 850-900 psig.

The pipeline is located 3 miles northwest of the town of Jewett, Texas and approximately 0.4 miles south of the Freestone County line. The 100 ppm radius of exposure ("ROE") is 1,564 feet and the 500 ppm ROE is 715 feet. The pipeline will be constructed in a rural and unpopulated area with no public structures located within the ROEs. A portion of County Road (CR) 336 is located within the ROEs. The pipeline will originate 140 feet west of CR 336, cross CR 336 and continue 1.6 miles to the east-southeast where it will terminate.

All materials will satisfy the requirements described in the latest edition of NACE MR 0175-2003 standards for recommended materials in sour gas service. The gas pipeline will be constructed of API 5L-X42 grade steel pipe. The pipeline will be equipped with cathodic protection to prevent external corrosion and 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. A compliant Statewide Rule 36 Contingency Plan has been prepared and submitted for the new pipeline.

The proposed pipeline will comply with Statewide Rule 36(c)(8). Trend will use safety controls and automatic devices. The line will be equipped with high pressure relief valves set at 1,200 psi, which are located at the King Compressor Station and piped to an emergency flare. The pipeline will be continuously monitored for any pressure fluctuations by a manned Gas Control Service. Any fluctuations in pressure will result in an automatic callout to Trend personnel. All sour gas compression stations, plants and delivery sites are equipped with H₂S monitors that are set at 20 ppm and have audible, visual and dial-out alarms.

FINDINGS OF FACT

1. On May 21, 2013, Trend Gathering & Treating, LLC ("Trend") filed an application for a permit to construct a hydrogen sulfide gas pipeline 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 Buffalo Press* on May 21, 2013. The application was filed with the Leon County Clerk on May 21, 2013.
3. Trend proposes construction of a 1.6 mile high pressure extension to its sour gas pipeline gathering system that will transport gas from acreage XTO

Energy Inc. is developing in the Bear Grass Field to a third-party gatherer.

- a. The pipeline will be 8 inches in diameter and 1.6 miles in length.
 - b. The pipeline will carry a maximum of 40 MMCFGPD containing 2,000 parts per million (ppm) of H₂S.
 - c. The maximum operating pressure will be 1,200 psig with a normal operating pressure of 850-900 psig.
4. The 100 ppm radius of exposure ("ROE") is 1,564 feet and the 500 ppm ROE is 715 feet.
- a. The pipeline will be constructed in a rural and unpopulated area with no public structures located within the ROEs.
 - b. Portions of one public road (CR336) are located within the ROEs: About 2,000 feet of roadway is within the 500 ppm ROE and about 6,000 feet of roadway is within the 100 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 pipeline is in accordance and complies with the provisions of Statewide 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.
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 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 proposed hydrogen sulfide gas pipeline in Leon County, as requested by Trend Gathering & Treating, LLC.

Respectfully submitted,



Paul Dubois
Technical Examiner