



## RAILROAD COMMISSION OF TEXAS

### HEARINGS DIVISION

**OIL & GAS DOCKET NO. 08-0287419**

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**THE APPLICATION OF JAMES LAKE MIDSTREAM LLC TO CONSTRUCT A SOUR GAS PIPELINE FACILITY, JAMES LAKE GATHERING SYSTEM, ANDREWS/GOLDSMITH AREA, ANDREWS AND ECTOR COUNTIES, TEXAS**

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**APPLICATION REVIEWED BY:** Paul Dubois – Technical Examiner

**DATE APPLICATION FILED:** March 26, 2014

**DATE REVIEWED:** May 19, 2014

#### EXAMINER'S REPORT AND RECOMMENDATION

##### STATEMENT OF THE CASE

This is the application of James Lake Midstream LLC (JLM) for Commission authority to construct and operate a hydrogen sulfide (H<sub>2</sub>S) gas pipeline in Andrews and Ector Counties, pursuant to Statewide Rules 36, 70 and 106. This application is for four new pipeline segments totaling about 28.5 miles of the James Lake Gathering System.

Notice of the application was filed with the Ector County Clerk in Odessa on March 20, 2014. Notice of the application was filed with the Andrews County Clerk in Andrews on March 20, 2014. Notice of the application was published in the *Odessa American*, a newspaper of general circulation in Ector County, on March 22, 2014, and in the Andrews County News, a newspaper of general circulation in Andrews County, on March 23, 2014.

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 Pipeline Safety Division has reviewed the application and recommends approval. The examiner has also reviewed the application and recommends approval.

##### DISCUSSION OF THE EVIDENCE

The proposed pipeline will be located in Andrews and Ector Counties north of

Odessa, Texas. The proposed facilities will be about 10 miles west of U.S. Highway 385 and one-half mile east of the town of Goldsmith. A map of the pipeline route is attached. The new pipeline will be constructed in four segments as follows:

**Segment A:** A 12-inch diameter pipe approximately 6.8 miles in length. This segment will start at the Martin Booster Station in Andrews County and run southeast to the beginning of Segment C. This segment will transport approximately 20,000 mcf/d with an H<sub>2</sub>S concentration of 2,500 ppm. The maximum operating pressure (MAOP) will be 1,280 psig with a normal operating pressure of 600 psig. The 100 ppm radius of exposure (ROE) is 1,165 feet and the 500 ppm ROE is 533 feet. There are no public areas within the 100 ppm ROE. There are 2 public roads within the 500 ppm ROE, Hwy 115 and FM 181.

**Segment B:** A 12-inch diameter pipe approximately 6.7 miles in length. This segment will start at the Block 9 Station in Andrews County and run southwest to the beginning of Segment C. This segment will transport approximately 20,000 mcf/d with an H<sub>2</sub>S concentration of 17,800 ppm. The MAOP will be 1,280 psig with a normal operating pressure of 600 psig. The 100 ppm ROE is 3,981 feet and the 500 ppm ROE is 1,819 feet. There are no public areas within the 100 ppm ROE. There are 2 public roads within the 500 ppm ROE, SW 3001 and SW 4001.

**Segment C:** A 12-inch diameter pipe approximately 12.5 miles in length. This segment will start in south-central Andrews County at the terminal locations of Segments A and B, and it will run south to the James Lake Gas Plant in Ector County. This segment will transport approximately 40,000 mcf/d with an H<sub>2</sub>S concentration of 10,150 ppm. The MAOP will be 1,280 psig with a normal operating pressure of 600 psig. The 100 ppm ROE is 4,322 feet and the 500 ppm ROE is 1,975 feet. The town of Goldsmith is within the 100 ppm ROE and includes about 100 homes and other public areas. There are 2 public roads within the 500 ppm ROE, SW 7000 and Hwy 158.

**Segment D:** A 6-inch diameter pipe approximately 2.5 miles in length. This segment will start in Ector County at the Goldsmith Booster Station and will run north to the James Lake Gas Plant. This segment will transport approximately 15,000 mcf/d with an H<sub>2</sub>S concentration of 21,500 ppm. The MAOP will be 1,280 psig with a normal operating pressure of 600 psig. The 100 ppm ROE is 3,742 feet and the 500 ppm ROE is 1,710 feet. There are no public areas within the 100 ppm ROE. There is 1 public road within the 500 ppm ROE, FM 866.

The public receptors have been verified by on-site inspections performed on April 24 and 25, 2014.

The system will be equipped with eight (8) emergency shutdown valves (ESD) activated by booster pressure loss or over-pressure on the pipeline. ESD shutdown set

points will be set at 100 psi and 1,100 psi. The ESDs at the three compressor stations will also be activated if an H<sub>2</sub>S concentration of 20 ppm is detected by fixed H<sub>2</sub>S monitors located throughout each compressor site.

The pipeline will be constructed of API 5L X52 steel pipe, which has been accepted for sour service. The operator shall utilize proper NACE and API recommended materials for sour service as well as maintain a chemical treating program and cathodic protection system. The line will be buried and properly marked with H<sub>2</sub>S and operator identification signs along the right of way and road crossings. Residents in close proximity to the ROEs will be invited to participate in annual safety drills and public awareness meetings. Pamphlets detailing how to detect an H<sub>2</sub>S leak and what to do in the event of a release, and points of contact will also be distributed. The Contingency Plan and Form H-9 comply with SWR 36.

The Field Operations Section has reviewed the Form H-9 (Certificate of Compliance Statewide Rule 36), contingency plan, and supporting data and determined that the proposed pipeline complies with the applicable provisions of SWR 36 regarding materials and operation.

The Pipeline Safety Division has reviewed the application and has received the T-4 (Application For Permit to Operate a Pipeline in Texas) and all required documentation to process an initial or amended permit for the requested Pipeline.

The examiners have reviewed the application and contingency plan and recommend approval of the proposed James Lake Gathering System.

#### **FINDINGS OF FACT**

1. On March 26, 2014, James Lake Midstream LLC filed an application for a permit to construct a sour gas pipeline in Andrews and Ector Counties, Texas.
2. Notice of the application was filed with the Ector County Clerk in Odessa on March 20, 2014. Notice of the application was filed with the Andrews County Clerk in Andrews on March 20, 2014. Notice of the application was published in the *Odessa American*, a newspaper of general circulation in Ector County, on March 22, 2014, and in the *Andrews County News*, a newspaper of general circulation in Andrews County, on March 23, 2014.
3. The James Lake Gathering System will be 6- and 12-inches in diameter, 28.5 miles in length, and consist of four segments.
4. The pipeline will carry a maximum of 40 MMCFGPD containing 21,500 parts per million (ppm) of H<sub>2</sub>S, and will have a maximum operating pressure of 1,280 psig.

5. The maximum 500 ppm radius of exposure ("ROE") is 1,975 feet and the maximum 100 ppm ROE is 4,322 feet.
6. The town of Goldsmith, including about 100 homes and other public areas, is located within the 100 ppm ROE.
7. The public receptors have been verified by on-site inspections performed on April 24 and 25, 2014.
8. Portions of seven public roads are located within the 500 ppm ROE.
9. Pipeline materials and construction meet the NACE and API standards, as required by Statewide Rule 36 for hydrogen sulfide service.
10. The submitted contingency plan for the pipeline is in accordance and complies with the provisions of Statewide Rule 36(c)(9).
11. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36.
12. The Commission's Field Operations Section and Pipeline Safety Division have reviewed the application and supporting materials 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 James Lake Gathering System hydrogen sulfide gas pipeline in Andrews and Ector Counties, as requested by James Lake Midstream LLC.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Paul Dubois", with a long horizontal stroke extending to the right.

Paul Dubois  
Technical Examiner

RECEIVED  
RRC OF TEXAS  
MAR 26 2014  
OIL & GASFIELD OPERATIONS  
AUSTIN, TX



Andrews County

12" Pipeline Route

500PPM ROE - 533'

100PPM ROE - 1,165'

12" Pipeline Route

500PPM ROE - 1,819'

100PPM ROE - 3,981'

Winkler County

12" Pipeline Route

500PPM ROE - 1,975'

100PPM ROE - 4,322'

Ector County

6" Pipeline Route

500PPM ROE - 1,710'

100PPM ROE - 3,742'

JAMES LAKE MIDSTREAM  
JAMES LAKE GATHERING  
SYSTEM

Legend

- Block and Section
- Pipeline Routes
- 500PPM ROE
- 100PPM ROE

