



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 05-0293956

THE APPLICATION OF TREND GATHERING & TREATING, LLC TO CONSTRUCT AND OPERATE A HYDROGEN-SULFIDE GAS PIPELINE, THE 12-INCH KING SOUR STATION TO WATSON CP, BEAR GRASS FIELD, LEON COUNTY, TEXAS

APPLICATION REVIEWED BY: Brian Fancher, P.G. – Technical Examiner
DATE APPLICATION FILED: November 5, 2014
DATE APPLICATION RECEIVED: December 17, 2014
DATE REVIEWED: December 17, 2014

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

The subject application is unopposed. Accordingly, a public hearing was not held to consider the matter. Trend Gathering & Treating, LLC ("TGT"), a subsidiary of XTO Energy, seeks authority to expand its existing 12" King Station Gathering System (Permit No. 07323) by constructing the proposed 12" King Sour Station to Watson CP pipeline (the "Pipeline"), pursuant to 16 Tex. Admin. Code §§3.36, 3.70, and 3.106 ("Statewide Rules 36, 70, and 106).

The Commission's Oil and Gas Division has reviewed the subject application, and concluded that it satisfies the applicable requirements of Statewide Rules 36 and 106. The Commission's Pipeline Safety Division has also reviewed the subject application, with respect to Statewide Rule 70, and determined it satisfactory. Accordingly, the examiner recommends that the subject application be granted, as proposed by TGT.

DISCUSSION OF THE APPLICATION AND GOVERNING RULES

On November 15, 2014, TGT submitted its original application to the Commission's Oil and Gas Division, which included several forms that are required. TGT's Form PS-79 (Application for a Permit to Construct a Sour-Gas Pipeline Facility), New Construction Report, and Form H-9 (Certificate of Compliance, Statewide Rule 36) indicate that the Pipeline will be an extension of the existing 12" King Sour Station (Permit No. 07323), and includes the following characteristics: (1) 12.75" outer diameter with 0.375" wall thickness; (2) 21,052.9 feet in length (67.1 feet shy of 4 miles); (3) constructed of API-5L-X-52 grade material; (4) maximum escape volume of 1.2 million cubic feet of gas per day (12,000 MCFGD); (5) 8,000

parts per million (“ppm”) of hydrogen sulfide (“H₂S”); and (6) a maximum operating pressure of 1,200 pounds per square inch (“psi”).

On Tuesday, November 4, 2014, the subject application was published in the *The Buffalo Press*, a newspaper having general circulation in Leon County¹, and a copy of the subject application was delivered with the Leon County Clerk the same day².

As proposed, the Pipeline is located approximately 1.2 miles northeast of the intersection of Farm-to-Market Road 39 and Mine road 9 in Leon County, Texas. In other words, approximately 5.48 miles northwest of the center of Jewett, Texas. The Pipeline will extend the existing 12” King Sour Station by roughly four miles, which brings the total pipeline distance for the 12” King Sour Station to about 12.5 miles. The Pipeline will cross below County Road 336 at 2.4 miles and 1.7 miles from the terminus location³ (*i.e.*, 31.42, -96.16 - North American Datum 83).

TGT calculates the 100 and 500 ppm Radii of Exposure (“ROE”) of H₂S, measured from the center of the Pipeline, are 1,753 feet and 801 feet, respectively⁴. That is, TGT estimates that if the maximum escape volume (12,000 MCFGD) is released from any point along the Pipeline, then H₂S at concentrations of 100 ppm and 500 ppm will extend 1,753 feet and 801 feet, respectively, from the Pipeline⁵.

The Commission’s Oil and Gas Division and Pipeline Safety Division have reviewed the subject application, and recommend approval. All pipeline materials will satisfy the requirements described in the latest editions of National Association of Corrosion Engineers (NACE) standard MR-01-075.

FINDINGS OF FACT

1. Trend Gathering & Treating, LLC (“TGT”) seeks to construct its proposed 12-inch King Sour Station to Watson CP (the “Pipeline”), which is an extension of the existing sour-gas pipeline gathering facility (T-4 Permit No. 07323) (“the subject application”).
2. Publication of the subject application was made in *The Buffalo Press*, a newspaper of general circulation in Leon County on November 4, 2014.
3. A copy of the subject application was filed with the Leon County Clerk on November 4, 2014.

¹ See Affidavit of Publication dated November 4, 2014.

² See FedEx Tracking Sheet – Track No. 771670861877

³ See New Construction Report dated November 3, 2014.

⁴ See Form H-9 dated November 3, 2014.

⁵ These estimations do not take wind direction or weather patterns into consideration.

4. The Pipeline will transport hydrogen sulfide gas (“H₂S”) composed of up to 8,000 parts per million of H₂S.
5. The Pipeline is located 5.48 miles northwest of Jewett, Texas.
6. The Pipeline’s 100 ppm and 500 ppm radii of exposure extend 1,753 feet and 801 feet, respectively.
7. Materials used to construct the Pipeline will satisfy the latest editions of the National Association of Corrosion Engineers standard MR-01-075.
8. Material to be used in, and the method of construction and operation of the Pipeline, comports with the Commission’s applicable rules and safety standards.

CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas – Tex. Nat. Res. Code §81.051.
2. Legally sufficient notice has been provided pursuant to 16 Tex. Admin. Code §3.106.
3. Pipeline materials and construction of the Pipeline meets the NACE standard pursuant to 16 Tex. Admin. Code §3.36.
4. TGT’s subject application meets the requirements set forth in 16 Tex. Admin. Code §§3.36, 3.70, and 3.106.

EXAMINER’S RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiner recommends that the application of Trend Gathering & Treating, LLC, for Commission authority to construct and operate the proposed 12” King Sour Station to Watson CP be APPROVED.

Respectfully,



Brian Fancher, P.G.
Technical Examiner