



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0294516

THE APPLICATION OF DCP MIDSTREAM LP TO REPLACE AND OPERATE AN EXISTING 20 INCH POLY J-1 CHAPEL HILL DISCHARGE LINE (CH-1) WITH A STEEL 16 INCH SOUR GAS LINE, ECTOR COUNTY, TEXAS

APPLICATION REVIEWED BY: Richard Eyster, P.G. – Technical Examiner
DATE APPLICATION FILED: March 20, 2015
DATE APPLICATION RECEIVED: March 20, 2015
DATE REVIEWED: April 20, 2015

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

The subject application is unopposed. Accordingly, a public hearing was not held to consider the matter. DCP Midstream (DCP), seeks authority to replace their existing 20" Poly J-1 Chapel Hill Discharge Line by constructing the proposed 16" steel sour gas line, 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 DCP.

DISCUSSION OF THE APPLICATION AND GOVERNING RULES

On January 26, 2015, DCP submitted its original application to the Commission's Oil and Gas Division, which included several forms that are required. DCP'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 replace the existing 20" Poly J-1 Chapel Hill Discharge Line (Permit No. 04825), and includes the following characteristics: (1) 16" outer diameter with 0.250" wall thickness; (2) 43,000 feet in length (8.14 miles); (3) constructed of API-5L-X-52 and API RP-14E grade material; (4) The line will transport 31,538 parts per million ("ppm") of hydrogen sulfide ("H₂S") @ 30,000 MCFG/D; and (5) a maximum operating pressure (MAOP) of 878 pounds per square inch ("psi").

On Friday, January 23, 2015 the subject application was published in the *The Odessa American*, a newspaper having general circulation in Ector County, and a copy of the subject application was delivered with the Ector County Clerk on January 21, 2015.

The proposed 16" steel sour gas line will replace the existing 20" poly J-1 line due to the conversion of the J-1 line from discharge to inlet suction for the Chapel Hill Booster Station. The proposed 16" sour gas line will be approximately 8.14 miles in length and will start in Ector County at the Chapel Hill Booster Station (N32.031661, W102.513079) and will end in Ector County at DCP's Goldsmith Plant, Goldsmith Texas, (N31984859, W102.634060). The line will transport approximately 31,538 ppm H₂S at 30,000 MCF/Day with a normal operating pressure 85 psig and a Maxi MAOP of 878 psig.

DCP calculates the 100 and 500 ppm Radii of Exposure ("ROE") of H₂S, measured from the center of the Pipeline, are 7,339 feet and 3,353 feet, respectively. The 100 ppm ROE includes the town of Goldsmith, Texas, one resident on Holt Road a coordinates N.32.042022, W102.507354, and a trailer park at N31.98752, W102.61553. The 100 ppm ROE also includes four businesses and two public areas. Within the 500ppm ROE there are three public roads, the city streets of Goldsmith. Public roads include State HWY 158, Ranch Road 866, and Scharbauer Road. Due to the variability of the population within the ROE's DCP has created a reaction type contingency plan.

The Contingency plan and ROE map have been approved by the Commission's Oil and Gas Division. DCP has filed the appropriate and complete Pipeline/Gathering system Form H-9 for the pipeline.

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. DCP Midstream seeks to replace its proposed 20-inch poly J-1 line due to the conversion of the J-1 line from discharge to inlet suction for the Chapel Hill Booster Station.
2. Publication of the subject application was made in *The Odessa American*, a newspaper of general circulation in Ector County on January 23, 2015.
3. A copy of the subject application was filed with the Ector County Clerk on January 21, 2015.
4. The Pipeline will transport hydrogen sulfide gas ("H₂S") composed of up to 31,538 parts per million of H₂S.

5. The Pipeline is located in Goldsmith, Ector Texas extending 8.14 miles in a northeast direction.
6. The Pipeline's 100 ppm and 500 ppm radii of exposure extend 7,339 feet and 3,353 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 and API RP-14E.
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.
9. The Contingency plan and ROE map have been approved by the Commission's Oil and Gas Division.
10. DCP has filed the appropriate and complete Pipeline/Gathering system Form H-9 for the pipeline.

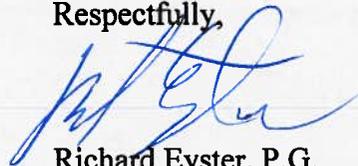
CONCLUSIONS OF LAW

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. DCP'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 DCP Midstream, for Commission authority to construct and operate the proposed 16" Chapel Hill Discharge Line be approved.

Respectfully,



Richard Eyster, P.G.
Technical Examiner