



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0298000

THE APPLICATION OF FRIO LASALLE PIPELINE, LP TO CONSTRUCT A SOUR GAS PIPELINE, CABOT HP DISCHARGE PIPELINE, LANCASTER SYSTEM, BRISCOE RANCH (EAGLEFORD) FIELD, FRIO COUNTY, TEXAS

APPLICATION REVIEWED BY: Peggy Laird, P.G. – Technical Examiner

DATE APPLICATION FILED: October 8, 2015

DATE REVIEWED: November 18, 2015

CONFERENCE DATE: December 15, 2015

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the unopposed application of Frio LaSalle Pipeline, LP (FLP) for Commission authority to construct and operate the Cabot HP discharge pipeline, a hydrogen sulfide (H₂S) gas pipeline in Frio County, pursuant to Statewide Rules 36, 70 and 106 (16 Tex. Admin Code §§ 3.36, 3.70, and 3.106.) On August 18, 2015, FLP notified the Frio County Clerk of the application. On August 20, 2015, FLP published notice of the application in the *Frio-Nueces Current*, a newspaper of general circulation in Frio County.

The Commission's Field Operations section has reviewed the application and has determined that the application and contingency plan comply with the applicable provisions of Statewide Rule 36. In addition, the Commission's Oversight and Safety Division (Pipeline Safety) has reviewed the application and recommends approval. Accordingly, the Examiner recommends that the subject application be granted, as proposed by FLP.

DISCUSSION OF THE EVIDENCE

FLP proposes to construct an 11.38 mile long sour gas pipeline that is an extension of its existing Lancaster System (formerly referred to as the Frio LaSalle Pipeline System), currently permitted under T4 Permit #04299. The 8-inch steel sour gas pipeline will carry approximately 5,000 mcf/day of gas with an H₂S concentration of up to 30,000 parts per

million (ppm) from wells that produce from the Briscoe Ranch (Eagleford) Field. The maximum operating pressure will be 1,440 pounds per square inch (psi).

The pipeline will be constructed of API 5L X52 steel pipe, which has been accepted for sour gas service. FLP shall utilize proper NACE and API recommended materials for sour gas service.

The pipeline will be constructed in a rural and sparsely populated area. The 100 ppm radius of exposure ("ROE") is 2,318 feet and the 500 ppm ROE is 1,059 feet. FLP has conducted a field survey and identified one public impact point within the 100 ppm radius of exposure (ROE), an unoccupied ranch building. One public road, FM 1582, traverses the 500 ppm ROE. These two public impact points are included in the proposed application Contingency Plan.

The Lancaster System is monitored continuously via a supervisory control and data acquisition (SCADA) monitoring system. The system is quipped with pressure and flow rate sensors as part of the SCADA monitoring system. Compressor stations are equipped with emergency shutdown valves, and block valves are located throughout the Lancaster System.

FINDINGS OF FACT

1. On October 8, 2015, FLP filed an application for a permit to construct a hydrogen sulfide gas pipeline in Frio County.
2. On August 18, 2015, FLP notified the Frio County Clerk of the application. On August 20, 2015, FLP published notice of the application in the *Frio-Nueces Current*, a newspaper of general circulation in Frio County.
 - a. FLP proposes construction of an 11.38 mile long pipeline that is an extension of the existing Lancaster System which is currently permitted under #04299.
 - b. The pipeline will be 8 inches in diameter.
 - c. The pipeline will carry a maximum of 5,000 mcf/day gas containing 30,000 parts per million (ppm) of H₂S.
 - d. The maximum operating pressure will be 1,440 psig.
3. The 100 ppm ROE is 2,318 feet and the 500 ppm ROE is 1,059 feet. The pipeline will be constructed in a rural and sparsely populated area with two public impact points identified.

4. One unoccupied ranch building is located within the 100 ppm ROE.
5. One public road, FM 1582, traverses the 500 ppm ROE.
6. Pipeline materials and construction meet the NACE and API standards, as required by Statewide Rule 36 for hydrogen sulfide service.
7. The submitted contingency plan for the pipeline is in accordance and complies with the provisions of Statewide Rule 36(c)(9).
8. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36.
9. The Commission's Field Operations Section and Oversight and Safety Division (Pipeline Safety) have reviewed the application and recommend approval.

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. All notice requirements have been satisfied - 16 Tex. Admin. Code § 3.46.
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 Cabot HP Discharge Pipeline in Frio County, as requested by Frio LaSalle Pipeline, LP.

Respectfully submitted,



Peggy Laird, P.G.
Technical Examiner