



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 01-0300227**

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**THE APPLICATION OF EOG RESOURCES, INC. TO CONSIDER AUTHORITY PURSUANT TO 16 TAC §3.106 FOR A PERMIT TO CONSTRUCT A SOUR GAS PIPELINE FACILITY, EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS**

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**APPLICATION REVIEWED BY:** Karl Caldwell - Technical Examiner

**DATE APPLICATION FILED:** April 22, 2016

**DATE REVIEWED:** May 20, 2016

**CONFERENCE DATE:** June 7, 2016

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

This is the application of EOG Resources, Inc. ("EOG") for a permit to construct a sour gas pipeline facility in accordance with Statewide Rule 106 in Atascosa County. The application is for the construction of approximately 12.86 miles of pipeline extensions of the existing Area 5 Sour System, currently permitted under T-4 Permit Number 08352. The Field Operations Section has reviewed the Form H-9 (Certificate of Compliance Statewide Rule 36), contingency plan, and supporting data for the subject sour gas pipeline and determined that the proposal complies with the applicable provisions of Statewide Rule 36 regarding materials and operation.

The Contingency Plan and H-9 Form comply with Statewide Rule 36. 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 Oil and Gas Division's H<sub>2</sub>S coordinator for Districts 1-6 has recommended that the application to construct and operate a sour gas pipeline be approved. The Examiner recommends that a permit to construct a sour gas pipeline facility pursuant to Statewide Rule 106 be granted.

### DISCUSSION OF THE EVIDENCE

On April 22, 2016, the Commission received EOG's complete application for a permit to construct a sour gas pipeline facility. The application is for the construction of approximately 12.86 miles of pipeline extensions of the existing Area 5 Sour System, currently permitted under T-4 Permit Number 08352. Notice of the construction of the proposed sour gas pipelines for the Area 5 Sour System extension was published in the *Pleasanton Express*, a newspaper of general circulation published in Atascosa County. The notice was published for a period of four (4) consecutive weeks: February 10<sup>th</sup>, 17<sup>th</sup>, 24<sup>th</sup>, and March 2<sup>nd</sup>, 2016. A copy of Form PS-79 and a map showing the 100 ppm radius of exposure and the 500 ppm radius of exposure were received by the Atascosa County Clerk on February 10, 2016.

The Field Operations Section has reviewed the Form H-9 (Certificate of Compliance Statewide Rule 36), contingency plan, and supporting data for the subject sour gas pipeline and determined that the proposal complies with the applicable provisions of Statewide Rule 36 regarding materials and operation. The proposed 8" and 12" pipeline will be 12.86 miles (67,900 feet) in length and is an extension of the existing Area 5 Sour System. The 8" & 12" steel sour gas pipeline will carry approximately 20,000 Mcf per day of gas with an H<sub>2</sub>S concentration of 20,000 parts per million (ppm). The 100 ppm radius of exposure (ROE) is 4,282 feet (ft.) and the 500 ppm ROE is 1,957 ft. The 100 ppm ROE and the 500 ppm ROE include twenty-eight (28) public impact points that have been identified in packet. State Highway 97, County Road 695, County Road 3430, and County Road 347 are located within the 500 ppm ROE. The pipeline will be constructed in a rural sparsely populated area and will connect into an existing pipeline system.

The maximum operating pressure of the pipeline will be 1,440 psig. The system will be equipped with low/high pressure emergency shutdown systems along the line and all pipeline and compressor station operations will be remotely monitored 24 hours per day via a SCADA system. The line will be constructed of API 5L-X52 steel pipe, which has been accepted for sour service. EOG shall utilize proper NACE and API recommended materials for sour gas service as well as maintain a chemical treating program and cathodic protection system to help prevent corrosion of the pipe. The line will be buried a minimum of 4 feet and will be properly marked with H<sub>2</sub>S and operator identification signs along the right of way and road crossings. EOG will also provide public outreach to educate the public on H<sub>2</sub>S safety. The Contingency Plan and H-9 Form comply with Statewide Rule 36. 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 Oil and Gas Division's H<sub>2</sub>S coordinator for Districts 1-6 has recommended that the application to construct and operate a sour gas pipeline be approved.

**FINDINGS OF FACT**

1. On April 22, 2016, the Commission received a complete application from EOG Resources, Inc. for a permit to construct a sour gas pipeline facility in Atascosa County.
2. Notice of the application was filed with the Atascosa County Clerk on February 10, 2016.
3. Notice of the application was published in the Pleasanton Express, a newspaper of general circulation in Atascosa County, on February 10, 17, 24, and March 2, 2016.
4. The application is for the construction of approximately 12.86 miles of pipeline extensions of the existing Area 5 Sour System, currently permitted under T-4 Permit Number 08352.
  - a. The 8" & 12" steel sour gas pipeline will carry approximately 20,000 Mcf per day of gas with an H<sub>2</sub>S concentration of 20,000 parts per million (ppm).
  - b. The 100 ppm radius of exposure (ROE) is 4,282 feet and the 500 ppm ROE is 1,957 feet.
  - c. The 100 ppm ROE and the 500 ppm ROE include twenty-eight (28) public impact points that have been identified in packet. State Highway 97, County Road 695, County Road 3430, and County Road 347 are located within the 500 ppm ROE.
  - d. The pipeline will be constructed in a rural sparsely populated area and will connect into an existing pipeline system.
  - e. The maximum operating pressure of the pipeline will be 1,440 psig.
  - f. The system will be equipped with low/high pressure emergency shutdown systems along the line and all pipeline and compressor station operations will be remotely monitored 24 hours per day via a SCADA system.
5. The line will be constructed of API 5L-X52 steel pipe, which has been accepted for sour service
6. EOG Resources, Inc. shall utilize proper NACE and API recommended materials for sour gas service as well as maintain a chemical treating program and cathodic protection system to help prevent corrosion of the pipe.

7. The line will be buried a minimum of 4 feet and will be properly marked with H<sub>2</sub>S and operator identification signs along the right of way and road crossings.
8. The Commission's Field Operations Section has reviewed the Form H-9 (Certificate of Compliance with Statewide Rule 36), contingency plan and supporting data for the subject sour gas pipeline and determined that the proposal complies with the applicable provisions of Statewide Rule 36 regarding materials and operation.
9. The Pipeline Safety Division has reviewed the application and received the T 4 (Application for Permit to Operate a Pipeline in Texas) and all required documentation required to process the permit for the requested pipeline.
10. The materials to be used in and method of construction and operation of the facility comply with the applicable rules and safety standards adopted by the Commission.

#### **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 § 3.106.
3. The application meets the requirements of 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 grant a permit to construct a sour gas pipeline facility pursuant to Statewide Rule 106 for an extension of the Area 5 Sour System (T4 Permit No. 08352) in Atascosa County as requested by EOG Resources, Inc.

Respectfully submitted,



Karl Caldwell  
Technical Examiner