

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL**

**OIL AND GAS DOCKET  
NO. 03-0238823**

**IN THE MOSS BLUFF FIELD, LIBERTY  
COUNTY, TEXAS**

**FINAL ORDER  
APPROVING THE APPLICATION OF PRAXAIR, INC.  
FOR A PERMIT PURSUANT TO STATEWIDE RULE 97  
TO CREATE, OPERATE AND MAINTAIN AN UNDERGROUND  
GAS STORAGE FACILITY,  
HYDROGEN STORAGE LEASE, WELL NO. 1  
MOSS BLUFF FIELD  
LIBERTY COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 10 and July 23, 2004, the presiding examiners have made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiners' report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

It is therefor **ORDERED** by the Railroad Commission of Texas that Praxair, Inc., be and is hereby authorized to create, operate, and maintain an underground gas storage facility, in accordance with the provisions of Statewide Rule 97, to be known as the Hydrogen Storage Lease, Well No. 1, Moss Bluff Field, Liberty County; subject to the following conditions:

1. The maximum permitted cavern capacity (total cavern size in barrels as measured by the most recent complete sonar caliper survey, not gas storage capacity) shall be 4,000,000 barrels.
2. The storage cavern will be developed in the Moss Bluff salt dome within the approximate depth interval from 2700 feet to 4600 feet.
3. The well head will be located 12,985 feet from the east line and 2,107 feet from the south line of the B.M. Spinks Survey, A-108, Liberty County, Texas.
4. The operator shall create and maintain records of the daily activity associated with the drilling, mining, completion, inspection, testing or workover of the solution-mined cavern and well entering such cavern. Such records shall include a complete and accurate description of all information related to the drilling, completion, inspection, testing and workover of any part of the well. The well includes but is not limited to the wellhead, casing, casing liners, cement,

tubing and cavern. The records shall include all information necessary to describe the historical and current condition of all parts of the well. The operator shall maintain the records for the life of the well. The Commission may inspect and/or direct the operator to submit copies of such records and the operator shall produce the records as soon as practicable upon request from Commission staff.

5. The operator shall notify the District Office and Oil and Gas Division Director or Director's delegate prior to conducting repairs or workovers involving physical alterations to the cemented casing strings or wellhead assembly. Routine inspection and maintenance does not constitute a physical alteration. Changes in a well's completion configuration shall be reported on the applicable Commission Form filed in duplicate with the District Office within 30 days after a change in the well completion.
6. The contingency plan shall include instructions and procedures for alerting the general public and public safety personnel of the existence of an emergency.
7. The contingency plan shall include procedures for follow-up action to remove the public from a two-mile radius in addition to procedures for requesting assistance.
8. The contingency plan shall include a plat detailing the area within a two-mile radius. The plat shall include the locations of private dwellings or residential areas, public facilities, such as schools, business locations, public roads, or other similar areas within two miles where the public might reasonably be expected.
9. The contingency plan shall include names and telephone numbers of residents within a two-mile radius. This contact list shall be updated as often as necessary.
10. The contingency plan shall include a list of the names and telephone numbers of the responsible parties for each of the possibly occupied public areas or facilities within a two-mile radius.
11. The contingency plan shall include provisions for advance briefing of the public within a two-mile radius. Such advance briefing shall include the following elements:
  - a. the hazards and characteristics of hydrogen gas;
  - b. the necessity for an emergency action plan;
  - c. the possible sources of hydrogen gas within a two-mile radius;
  - d. instructions for reporting a gas leak;
  - e. the manner in which the public will be notified of an emergency;
  - f. steps to be taken in case of an emergency.
12. The contingency plan shall provide for a safety meeting with each contractor prior to the commencement of any new contract work at an underground gas storage facility. Emergency measures, including safety and evacuation measures specific to the contractor's work, shall be explained in the contractor safety meeting.
13. The contingency plan shall be kept updated to insure its current applicability and copies of the

- amended plan distributed to the emergency agencies that need it.
14. The contingency plan shall provide for written notice of an annual emergency drill to be provided to the appropriate commission district office, the county emergency management coordinator, and the county sheriff's office at least seven days prior to the drill. Local emergency response authorities shall be invited to participate in all such drills. The operator shall file a written evaluation of the drill and plans for improvements with the appropriate district office and the county emergency management coordinator within 30 days after the date of the drill.

Provided further that should it be determined that injected fluids are not confined to the cavity and well, then the permission given shall be suspended until the nature of the leak is determined and remedied.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after it is actually mailed to the parties by the Commission; provided that if a motion for rehearing of the application is filed by any party at interest within such 20-day period, this order shall not become final until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not granted herein are denied.

Done this \_\_\_\_\_ day of August, 2004.

**RAILROAD COMMISSION OF TEXAS**

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**Chairman Victor G. Carrillo**

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**Commissioner Charles R. Matthews**

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**Commissioner Michael L. Williams**

**ATTEST:**

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**Secretary**