

November 5, 2007

**OIL & GAS DOCKET NO. 01-0252639**

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**THE APPLICATION OF REGENCY FS LP TO CONSTRUCT AND OPERATE A HYDROGEN SULPHIDE GAS PIPELINE, THE FLASHING TO DELTA EXTENSION, ATASCOSA AND MCMULLEN COUNTIES, TEXAS**

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**APPLICATION REVIEWED BY:** Thomas H. Richter, P.E.

**DATE REVIEWED:** November 5, 2007

**DATE EXAMINER RECEIVED FILE:** November 1, 2007

**DATE APPLICATION FILED:** July 13, 2007

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

This is the unopposed application of Regency FS LP ("Regency") for Commission authority pursuant to Statewide Rules 106, 70 and 36 for approval to construct and operate a hydrogen sulphide (H<sub>2</sub>S) gas pipeline in Atascosa and McMullen Counties.

The Commission's Field Operations Section recommends approval. The Commission's Pipeline Safety and Gas Services Sections have reviewed the application. The examiner recommends approval of the application.

**DISCUSSION OF THE EVIDENCE**

The proposed Regency FS LP, Delta to Flashing Extension, gas pipeline will connect the Delta Extension of the Tilden Gathering System to the Regency Flashing Plant in Atascosa County. The Tilden Gathering System includes the Tilden Gas Plant (ID No. 01-0253) in McMullen County and associated pipelines in McMullen, LaSalle and Atascosa Counties (ID No. 01-06197). The Delta to Flashing Extension will be divided into four segments by three block valves. The pipeline will be operated under the Tilden system guidelines and the Tilden System H<sub>2</sub>S Contingency plan. The proposed line will be ±26.6 miles in length composed of 10" steel pipe. The maximum operating pressure of the line is 1000 psig. The normal operating pressure of the line will be 600 psi.

The H<sub>2</sub>S concentration is 20,000 parts per million (ppm). The calculated radius of exposure (ROE) is based on an atmospheric dispersion modeling analysis (INPUFF model).<sup>1</sup> Analysis is based on block valve activation (450 psi low pressure shutdown), line pack and blowdown. At any given time, the maximum volume of gas contained within the entire length of the line is 2,290 MCF. Though the pipeline is separated into 4 segments by block valves (10.13; 8.2; 5.73 and 2.49 miles), the ROE's are determined based on the instantaneous maximum volume of the line. The 100 ppm ROE is 3,150 feet and the 500 ppm ROE is 1,066 feet. There are public areas within the 100 ppm ROE and public roads within the 500 ppm ROE.

All materials will satisfy the requirements described in the latest editions of NACE Standard MR-01-75 and API RP-14E and CFR Part 192. The handling and installation of materials and equipment used in hydrogen sulphide service are to be performed in such a manner so as not to induce susceptibility to Sulphide Stress Cracking. The block valves have installed automatic hi-lo pressure sensors as well as remote shut-in capability. The gathering line will be new API 5L X-42 Grade steel pipe equipped with a cathodic protection system for external corrosion control. All welds will be x-rayed. The lines will be chemically treated as needed for internal corrosion and monitored with corrosion coupons. H<sub>2</sub>S warning signs compliant with Rule 36(c)(6)(A) and (c)(6)(B) will be posted at all public road crossings as well as intervals along the pipeline frequent enough as to provide warning to avoid accidental rupture of the line by excavation. The signs will indicate poison gas, company name and emergency phone numbers. The lines will be buried more than 5 feet below ground level at road crossings and 3 feet along the rest of the right-of-way.

The proposed line will comply with Statewide Rule 36(c)(8). This is an area that has had H<sub>2</sub>S gas production and transmission for many years.

Regency FS LP published notice in *The Pleasanton Express*, a newspaper of general circulation in Atascosa County, on July 11 and 18, 2007. The notice was published in *The Progress*, a newspaper of general circulation in McMullen County, on July 18, 2007 and August 8, 2007. The application was filed with the Atascosa and McMullen County Clerks on July 13, 2007.

### **FINDINGS OF FACT**

1. On July 13, 2007, Regency FS LP filed an application for a permit to construct hydrogen sulphide gas gathering pipeline in Atascosa and McMullen Counties.
2. Regency FS LP published notice in *The Pleasanton Express*, a newspaper of general circulation in Atascosa County, on July 11 and 18, 2007. The notice was published in *The Progress*, a newspaper of general circulation in McMullen County, on July 18, 2007 and August 8, 2007. The application was filed with the Atascosa and McMullen County Clerks on July 13, 2007.

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<sup>1</sup> Atmospheric modeling was approved by the Commission in Oil & Gas Docket No. 05-0241045 on May 24, 2005 and Docket No. 05-0246124 on May 16, 2006.

3. The proposed Regency FS LP, Delta to Flashing Extension, gas pipeline will connect the Delta Extension of the Tilden Gathering System to the Regency Flashing Plant in Atascosa County. The Tilden Gathering System includes the Tilden Gas Plant (ID No. 01-0253) in McMullen County and associated pipelines in McMullen, LaSalle and Atascosa Counties (ID No. 01-06197).
4. The proposed line will be ±26.6 miles in length composed of 10" steel pipe.
  - a. The maximum operating pressure of the line is 1000 psig with a normal operating pressure of 600 psig.
  - b. At any given time, the maximum volume of gas contained within the entire length of the line is 2,290 MCF.
  - c. The H<sub>2</sub>S concentration is 20,000 parts per million (ppm).
  - e. The 100 ppm radius of exposure (ROE) is 3,150 feet and the 500 ppm ROE is 1,066 feet. Though the pipeline is separated into 4 segments by block valves (10.13; 8.2; 5.73 and 2.49 miles), the ROE's are determined based on the instantaneous maximum volume of the line and an atmospheric dispersion modeling analysis.
  - f. There are public areas within the 100 ppm ROE and public roads within the 500 ppm ROE.
5. Pipeline materials and construction meet the NACE standards as required by Statewide Rule 36 for hydrogen sulphide service.
6. The pipeline will be operated under the Tilden system guidelines and the Tilden System H<sub>2</sub>S Contingency plan pursuant to provisions of Statewide Rule 36(c)(7).
7. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36(c)(6)(8) and (13).
8. The Commission's Field Operations Section recommends approval. The Commission's Pipeline Safety Division and Gas Services Division have reviewed the application.

**CONCLUSIONS OF LAW**

1. Proper notice was timely given to all parties entitled to notice pursuant to applicable statutes and rules.
2. All things have occurred and have been accomplished to give the Commission jurisdiction in this case.

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 application of Regency FS LP for Commission authority pursuant to Statewide Rules 106, 70 and 36 for approval to construct and operate the proposed hydrogen sulphide gas pipeline in Atascosa and McMullen Counties be approved.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel