

OIL & GAS DOCKET NO. 05-0262945

THE APPLICATION OF TREND GATHERING & TREATING, LP TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE EXTENSION, FREESTONE COUNTY, TEXAS

REVIEWED BY: Donna K. Chandler

DATE APPLICATION FILED: September 4, 2009

DATE REVIEWED: October 8, 2009

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Trend Gathering & Treating, LP¹ requests Commission authority pursuant to Statewide Rules 106, 70 and 36, to construct and operate a hydrogen sulfide (H₂S) gas pipeline extension in Freestone County. The proposed line is identified as the Barnett 7 to Winfree 13 line. The existing sour gas pipeline system is permitted under T-4 Permit No. 06595.

The Commission's Field Operations section has reviewed the application and has determined that the application complies with the applicable provisions of Rule 36. In addition, the Commission's Safety Division and Gas Services Division have reviewed the application. The examiner recommends approval of the application.

DISCUSSION OF THE EVIDENCE

Trend proposes construction of a sour gas pipeline extension which will gather gas from wells on acreage operated by XTO Energy, Inc. in Freestone County. The gas will be delivered to the Teague Sour Compressor Station. The line will be 10 inches in diameter and will be 0.84 miles long. The line is approximately 2.5 miles southeast of Teague, Texas.

The calculated 100 ppm radius of exposure is 793 feet; the calculated 500 ppm radius of exposure is 362 feet. These calculations are based on an H₂S concentration of 4,500 ppm and a maximum escape volume of 6,000 MCFD. The 500 ppm radius does not

¹Trend Gathering & Treating, LP is a wholly owned subsidiary of XTO Energy, Inc.

include any public roads. The 100 ppm radius of exposure includes a portion of County Road 712. There are no other public areas within the 100 ppm radius of exposure. Though not required by Rule 36, applicant has submitted a contingency plan in accordance with the provisions of Rule 36(c)(9).

The maximum allowable operating pressure of the line is 1,200 psig. The line will normally operate between 40 and 60 psig, but may occasionally reach pressures of up to 300 psig if the Teague Sour Compressor Station goes down and the low pressure wells continue to feed into the line. An alarm will sound when a compressor goes down so that an employee can immediately restart the compressor. The Teague plant is manned 24 hours a day.

To comply with Statewide Rule 36(c)(8), Trend will use safety control and automatic devices. The line will be protected from overpressure by pressure relief valves set at 1,200 psig at the compressor stations. If the pressure on the line drops to 30 psig, the low pressure sensors on the wells will shut the wells in, thus stopping flow of gas. Monitors at the compressor stations will trigger audible, visual and dial-out alarms if a sensor detects an H₂S concentration of 100 ppm or greater.

All materials will satisfy the requirements described in the latest editions of NACE Standard MR 0175. The pipe will be API 5L X-52 grade steel pipe. All welds will be x-rayed. Trend will also implement a corrosion prevention plan that will utilize internal corrosion inhibitors, and a cathodic protection system to reduce the potential for leaks due to external corrosion. H₂S 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 line will be buried more than 5 feet below ground level at road crossing and more than 3 feet below ground level along the rest of the right-of-way.

Trend published notice of the application in a newspaper of general circulation in Freestone County. The notice was published in *The Teague Chronicle* on September 3, 2009. The application was filed with the Freestone County Clerk on September 1, 2009.

FINDINGS OF FACT

1. On September 4, 2009, Trend Gathering & Treating, LP filed an application for a permit to construct a hydrogen sulfide gas gathering pipeline in Freestone County.
2. Trend published notice of the application in a newspaper of general circulation in Freestone County. The notice was published in *The Teague Chronicle* on September 3, 2009. A copy of the application was filed with the Freestone County Clerk on September 1, 2009.

3. No protest to the application was filed with the Commission and no hearing was held.
4. Trend proposes construction of an extension of an H₂S gas pipeline in Freestone County approximately 2.5 miles southeast of Teague, Texas.
 - a. The 10 inch pipeline will be a gathering line from wells on acreage operated by XTO Energy, Inc. in Freestone County.
 - b. The line will be 0.84 miles long.
5. Pipeline materials and construction will meet the NACE standards as required by Statewide Rule 36 for hydrogen sulfide service.
6. The line will be operated at a maximum pressure of 1,200 psig.
7. The maximum volume delivery design is 6,000 MCFD. The hydrogen sulfide concentration of the gas to be transported is 4,500 parts per million.
8. The 100 ppm radius of exposure is 793 feet and the 500ppm radius of exposure is 362 feet.
 - a. The 500 ppm radius of exposure does not include any public areas.
 - b. The 100 ppm radius of exposure includes a portion of County Road 712 but no other public areas.
9. Though not required, applicant submitted a contingency plan in accordance with the provisions of Rule 36(c)(9).
10. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules.
11. The Commission's Deputy Director of Field Operations and the Commission's Gas Services Division and Safety Division have reviewed the application and recommend approval.

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 Trend Gathering and Treating, LP to construct and operate the proposed pipeline extension be approved as set out in the attached Final Order.

Respectfully submitted,

Donna K. Chandler, P.E.
Technical Examiner