



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 05-0279178

THE APPLICATION OF TREND GATHERING & TREATING, LLC TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE, KING COMPRESSOR STATION TO HUNTER MAINLINE, BEAR GRASS FIELD, LEON COUNTY, TEXAS

APPLICATION REVIEWED BY: Richard D. Atkins, P.E.

DATE APPLICATION FILED: November 6, 2012

DATE REVIEWED: December 19, 2012

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

This is the unprotested application of Trend Gathering & Treating, LLC ("Trend") for Commission authority to construct and operate a hydrogen sulfide (H₂S) gas pipeline in Leon County, pursuant to Statewide Rules 36, 70 and 106. Trend is an indirectly wholly owned subsidiary of XTO Energy.

Trend published notice of the application in a newspaper of general circulation in Leon County. The notice was published in *The Buffalo Press* on November 6, 2012. The application was filed with the Leon County Clerk on November 6, 2012.

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

DISCUSSION OF THE EVIDENCE

Trend proposes construction of a sour gas pipeline to transport gas from the King Compressor Station to the Hunter Mainline in the Bear Grass Field. The pipeline will be 8 inches in diameter, 2,100 feet in length and will carry a maximum of 25 MMCFGPD containing 2,000 parts per million (ppm) of H₂S. The maximum operating pressure will be 1,200 psig with a normal operating pressure of 850-900 psig.

The pipeline is located 4.5 miles northwest of the town of Jewett, Texas. The 100 ppm radius of exposure ("ROE") is 1,165 feet and the 500 ppm ROE is 533 feet. The

pipeline will be constructed in a rural and unpopulated area and the 100 and 500 ppm ROE's do not include any public structures or roads. The pipeline will originate 1.25 miles northeast of the FM 39 and Mine Road 9 intersection and travel 270 yards northeast and 380 yards southeast to its termination point (See attached ROE area map).

All materials will satisfy the requirements described in the latest editions of NACE Standard MR0175-2003. The gas pipeline is constructed of API-5L X-42 grade steel pipe. The line will be equipped with cathodic protection to prevent external corrosion and will be chemically treated as needed for internal corrosion and monitored with corrosion coupons.

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 signs will indicate poison gas, company name and emergency phone numbers. A compliant Statewide Rule 36 Contingency Plan has been prepared and submitted for the new pipeline.

The proposed pipeline will comply with Statewide Rule 36(c)(8). Trend will use safety controls and automatic devices. The line will be equipped with high pressure relief valves set at 1,200 psi, which are located at the King Compressor Station and piped to an emergency flare. The pipeline will be continuously monitored for any pressure fluctuations by Gas Control Service at their office. Any fluctuations in pressure will result in an automatic callout to Trend personnel. All sour gas compression stations, plants and delivery sites are equipped with H2S monitors that are set at 20 ppm and have audible, visual and dial-out alarms.

FINDINGS OF FACT

1. On November 6, 2012, Trend Gathering & Treating, LLC ("Trend") filed an application for a permit to construct a hydrogen sulfide gas pipeline in Leon County.
2. Trend published notice of the application in a newspaper of general circulation in Leon County. The notice was published in *The Buffalo Press* on November 6, 2012. The application was filed with the Leon County Clerk on November 6 2012.
3. Trend proposes construction of a sour gas pipeline to transport gas from the King Compressor Station to the Hunter Mainline in the Bear Grass Field.
 - a. The pipeline will be 8 inches in diameter and 2,100 feet in length.
 - b. The pipeline will carry a maximum of 25 MMCFGPD containing 2,000 parts per million (ppm) of H2S.

- c. The maximum operating pressure will be 1,200 psi with a normal operating pressure of 850-900 psi.
 - d. The 100 ppm radius of exposure ("ROE") is 1,165 feet and the 500 ppm ROE is 533 feet.
 - e. The pipeline will be constructed in a rural and unpopulated area and the 100 and 500 ppm ROE's do not include any public structures or roads.
4. Pipeline materials and construction meet the NACE standards as required by Statewide Rule 36 for hydrogen sulfide service.
 5. The submitted contingency plan for the pipeline is in accordance and complies with the provisions of Statewide Rule 36(c)(9).
 6. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36(c)(6)(7)(8) and (13).
 7. The Commission's Field Operations Section, Pipeline Safety Division and Gas Services Division have reviewed the application and recommend approval.

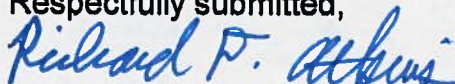
CONCLUSIONS OF LAW

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

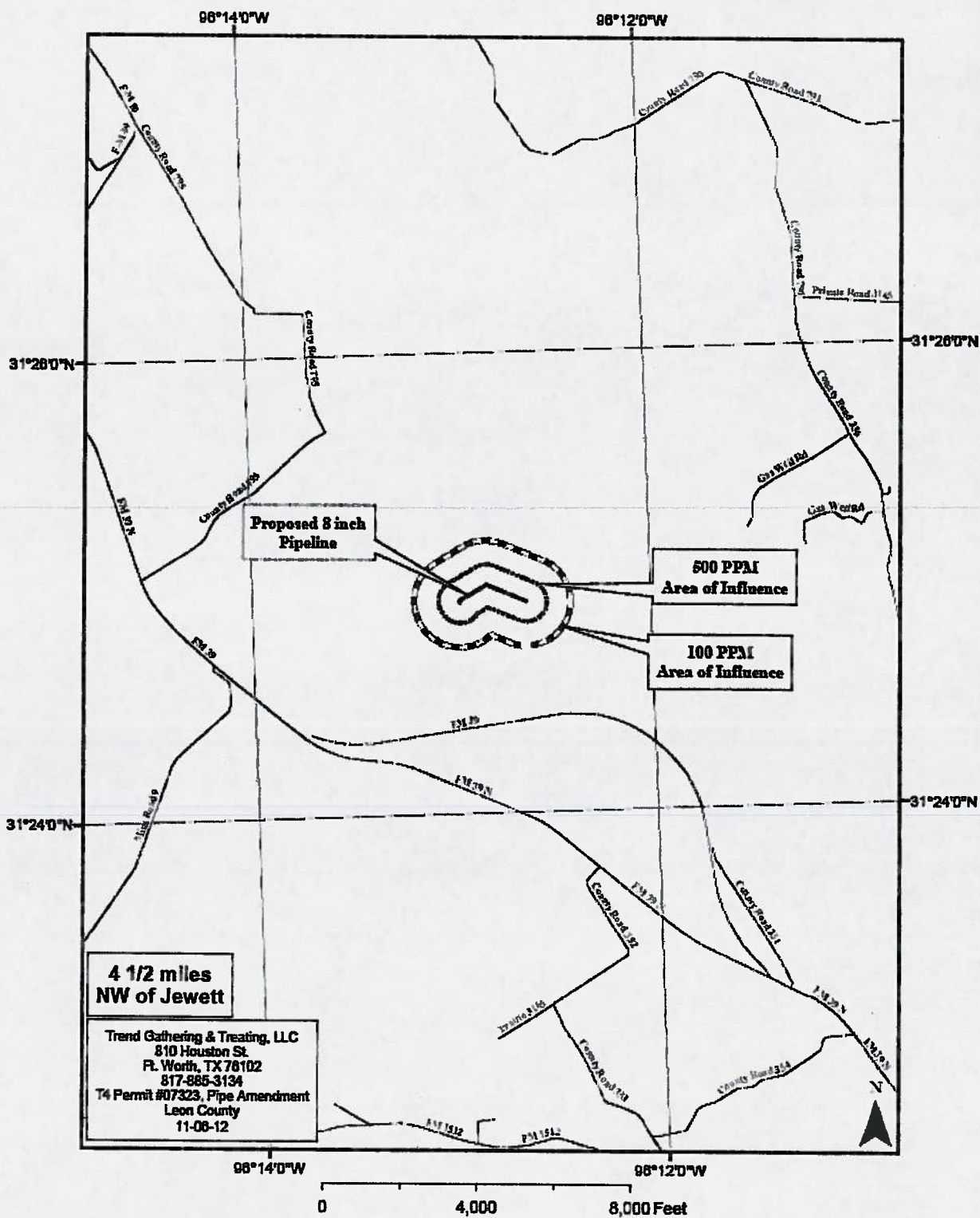
The examiner recommends that the Commission approve the application for authority pursuant to Statewide Rules 36, 70 and 106, to construct and operate the proposed hydrogen sulfide gas pipeline in Leon County, as requested by Trend Gathering & Treating, LLC.

Respectfully submitted,



Richard D. Atkins,
P.E. Technical Examiner

SYSTEM MAP SHOWING ROE



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OIL & GAS/FIELD OPERATIONS
AUSTIN, TX

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 05-0279178**

**IN THE BEAR GRASS FIELD, LEON
COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF TREND GATHERING & TREATING, LLC
TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE
KING COMPRESSOR STATION TO HUNTER MAINLINE
BEAR GRASS FIELD
LEON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket reviewed on December 19, 2012, the reviewing examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; 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 examiner's 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.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Trend Gathering & Treating, LLC to construct and operate a hydrogen sulfide gas pipeline, an 8 inch gas pipeline to transport gas from the King Compressor Station to the Hunter Mainline, Bear Grass Field, Leon County, Texas, is hereby approved. Trend Gathering & Treating, LLC shall comply with all applicable rules and safety standards adopted by the Commission for the construction and operation of hydrogen sulfide gas pipelines.

Done this 15th day of January, 2013.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN BARRY T. SMITHERMAN

COMMISSIONER DAVID PORTER

COMMISSIONER CHRISTI CRADDICK

ATTEST:

SECRETARY