

OIL & GAS DOCKET NO. 7C-0262604

THE APPLICATION OF TARGA PERMIAN LP TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE, BLOCK 42 COMPRESSOR STATION TO RAILWAY RANCH COMPRESSOR STATION, SAND HILLS FIELD, UPTON COUNTY, TEXAS

APPLICATION REVIEWED BY: Andres J. Trevino, P.E.

DATE APPLICATION FILED: August 3, 2009

DATE REVIEWED: November 18, 2009

EXAMINER'S REPORT AND RECOMMENDATION
STATEMENT OF THE CASE

This is the unopposed application of Targa Permian, LP for Commission authority to construct and operate a hydrogen sulfide (H₂S) gas pipeline in Upton County, pursuant to Statewide Rules 106, 70 and 36.

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

Targa Permian, LP proposes construction of a pipeline to transport produced gas from the Block 42 Compressor Station to the Railway Ranch Compressor Station in the Sand Hills Field. The line will be 8 inches in diameter and approximately 14.1 miles long. The line will carry a maximum 12 MMCFD of gas containing 700 parts per million (ppm) of H₂S. The maximum operating pressure will be 1,250 psig.

The 100 ppm ROE is 382 feet and the 500 ppm ROE is 174 feet. The pipeline is located in a rural setting. The 500 ppm ROE and 100 ppm ROE do not include any public roads or public areas. A contingency plan was prepared and submitted. The submitted contingency plan for the gathering line complies with the provisions of Rule 36(c)(9).

All materials will satisfy the requirements described in the latest editions of NACE standards. The gathering line is constructed of API-5L ERW-X42 grade steel pipe. The line will be coated and wrapped to TGF-3 specifications. The line will be chemically treated as needed for internal corrosion.

H₂S warning signs compliant with Rule 36(c)(6)(A) and (c)(6)(B) will be posted 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.

Targa Permian, LP published notice of the application in newspapers of general circulation in Midland and Upton Counties. The notice was published in *The Midland Reporter Telegram* and the *Rankin News* on October 15, 2009. The application was filed with the Midland and Upton County Clerks on October 15, 2009.

FINDINGS OF FACT

1. On August 3, 2009, Targa Permian, LP filed an application for a permit to construct a hydrogen sulfide gas gathering pipeline in Midland and Upton Counties.
2. Targa Permian, LP published notice of the application in newspapers of general circulation in Midland and Upton Counties. The notice was published in *The Midland Reporter Telegram* and the *Rankin News* on October 15, 2009. The application was filed with the Midland and Upton County Clerks on October 15, 2009.
3. Targa Permian, LP proposes construction of a pipeline to transport produced gas from the Block 42 Compressor Station to the Railway Ranch Compressor Station in the Sand Hills Field.
 - a. The line will be 8 inches in diameter and approximately 14.1 miles long.
 - b. The line will carry a maximum 12 MMCFD of gas containing approximately 700 parts per million (ppm) of H₂S.
 - c. The maximum operating pressure will be 1,250 psig.
 - d. The 100 ppm ROE is 382 feet and the 500 ppm ROE is 174 feet.
 - e. There are no public roads within the 100 & 500 ppm ROE.
 - f. The proposed pipeline will be in a rural area, there are no public areas along the route within the 100 & 500 ppm ROE.
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 line is in accordance and complies with the provisions of 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 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 Targa Permian, LP for Commission authority pursuant to Statewide Rules 106, 70 and 36, to construct and operate the proposed hydrogen sulfide gas pipeline in Upton County, be approved.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner