

November 27, 2007

**OIL & GAS DOCKET NO. 08-0252197**

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**THE APPLICATION OF TRAIL MOUNTAIN, INC. TO CONSTRUCT AND OPERATE A HYDROGEN SULPHIDE GAS PIPELINE, THE UNIVERSITY GATHERING SYSTEM, HUDSPETH COUNTY, TEXAS**

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

**DATE APPLICATION FILED:** June 8, 2007

**DATE EXAMINER RECEIVED FILE:** October 19, 2007

**DATE FILE RETURNED TO FIELD OPERATIONS:** October 23, 2007

**DATE EXAMINER RECEIVED FILE:** November 15, 2007

**DATE REVIEWED:** November 27, 2007

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

This is the unprotested application of Trail Mountain, Inc. 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 Hudspeth County.

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 University Gas Gathering pipeline will connect shut-in gas wells to the proposed University Processing Plant which will then transfer the processed gas to a pipeline connection with an El Paso Interstate Transmission Pipeline. The proposed line will be ±10 miles in length of 8" steel pipe. The maximum operating pressure of the line will be 1000 psig and the maximum designed operating pressure is 1440 psig. Compressor stations will be located at each end of the line (normal operating pressure ±1000 psig) that will compress gathered gas well gas. The line that will transport the proposed processed gas to the existing El Paso Natural Gas Transmission Line (approximately 2 mile away) is not a part of this application.

The H<sub>2</sub>S concentration is 500 parts per million (ppm). The maximum volume of gas to be transported will be 10,000 MCFD. The 100 ppm radius of exposure (ROE) is 276 feet and the 500 ppm ROE is 126 feet. There are no public areas within the 100 ppm ROE. The line will cross US

Highway 62/180 and thus the highway is within the 500 ppm ROE. An automatic shutoff valve and check valve will be located to isolate the pipeline at the highway crossing. The pipeline is continuously monitored by a SCADA system. Pipeline markers will be installed at the highway crossing. A contingency plan is required pursuant to provisions of Statewide Rule 36(c)(7).

All materials will satisfy the requirements described in the latest editions of NACE Standard MR-01-75-2003, API RP-14E and 49 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 gathering line will be new API 5L X-42 steel pipe. The pipeline will be subject to periodic inspections, pigging and chemical treating to reduce the possibility of internal corrosion. The line will be protected by cathodic protection to minimize external corrosion. The proposed line will comply with Statewide Rule 36(c)(8).

Trail Mountain, Inc. published notice of the application in a newspaper of general circulation in Hudspeth County. The notice was published in *The Hudspeth County Herald* on August 17, 2007. The application was filed with the Hudspeth County Clerk on August 16, 2007.

#### **FINDINGS OF FACT**

1. On June 8, 2007, Trail Mountain, Inc. filed an application for a permit to construct hydrogen sulphide gas gathering pipeline in Hudspeth County.
2. Trail Mountain, Inc. published notice of the application in a newspaper of general circulation in Hudspeth County. The notice was published in *The Hudspeth County Herald* on August 17, 2007. The application was filed with the Hudspeth County Clerk on August 16, 2007.
3. The proposed University Gas Gathering pipeline will connect shut-in gas wells to the proposed University Processing Plant which will then eventually transfer the processed gas to a pipeline connection with an El Paso Interstate Transmission Pipeline (not a part of this application).
4. The proposed line will be ±10 miles in length of 8" steel pipe.
  - a. The maximum operating pressure of the line is 1000 psig and the maximum designed operating pressure is 1440 psig.
  - b. The maximum volume capacity of the line is 10,000 MCFD.
  - c. The H<sub>2</sub>S concentration is 500 parts per million (ppm).
  - d. The 100 ppm radius of exposure (ROE) is 276 feet and the 500 ppm ROE is 126 feet.
  - e. There are no public areas within the 100 ppm ROE. The line will cross US Highway 62/180 and the highway is 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. A contingency plan is required as a public area is affected 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 Trail Mountain, Inc. for Commission authority pursuant to Statewide Rules 106, 70 and 36 for approval to construct and operate the proposed hydrogen sulphide gas pipeline in Hudspeth County be approved.

Respectfully submitted,

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