

THE APPLICATION OF DCP MIDSTREAM, LP TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE, ANDREWS AND GAINES COUNTIES, TEXAS

REVIEWED BY: Donna K. Chandler

DATE APPLICATION FILED: August 27, 2010

DATE REVIEWED: October 15, 2010

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

DCP Midstream, LP requests Commission authority pursuant to Statewide Rules 106, 70 and 36, to construct and operate a hydrogen sulfide (H₂S) gas pipeline in Andrews and Gaines Counties. The proposed line is identified as the Fullerton to Linam line in the Fullerton gathering system. The existing sour gas pipeline system is permitted under T-4 Permit No. 04878.

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

DCP Midstream, LP proposes construction of a sour gas pipeline which will run from the Fullerton gas plant in Andrews County, across Gaines County, and into New Mexico. The line will be a part of the Fullerton gathering system. The line will be 12 inches in diameter and will be 19.8 miles long, then extending an additional 3.7 miles into New Mexico at the Linam gas plant. The line is approximately 17 miles northwest of Andrews, Texas.

The calculated 100 ppm radius of exposure is 3,796 feet; the calculated 500 ppm radius of exposure is 1,735 feet. These calculations are based on an H₂S concentration of 11,000 ppm and a maximum escape volume of 30,000 MCFD. The 500 ppm radius includes a portion of Gaines County Road 7001, NW Road 800 and NW Road 9500 (McWhorter Road). The only public area within the 100 ppm radius of exposure is the ExxonMobil field office near the beginning of the line in Andrews County. In accordance with the provisions of Rule 36(c)(9), the contingency plan for the Fullerton gathering system has been updated to incorporate the proposed new line.

The maximum allowable operating pressure of the line is 1,440 psig. The line will normally operate between 350 and 850 psig. Automatic shut downs of the line will be set at 50 psi and 170 psi. The line pressure will be monitored 24/7 at the Fullerton facility and Linam facility by SCADA. DCP will have H₂S monitors and alarms with automatic shutdown capability at each gas plant.

All materials will satisfy the requirements described in the latest editions of NACE Standard MR 01-75 and API RP-14E. The pipe will be API 5L X-52 grade steel pipe. The handling and installation of materials and equipment used in hydrogen sulfide service are to be performed in such a manner so as not to induce susceptibility to sulfide stress cracking under normal operating conditions. The line will be continuously chemically treated for corrosion protection. 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 at least 4 feet deeper than the lowest point of any road crossing and more than 4 feet below ground level along the rest of the right-of-way. At all road crossings, the line will be coated with an abrasion and impact resistant coating approved for use in bored crossings.

Notice of the application was published in a newspaper of general circulation in both Andrews and Gaines Counties. The notice was published in *The Andrews County News* on September 5, 2010 and in *The Seminole Sentinel* on September 5, 2010. The application was filed with both the Gaines County Clerk and the Andrews County Clerk on September 2, 2010.

FINDINGS OF FACT

1. On August 27, 2010, DCP Midstream, LP filed an application for a permit to construct a hydrogen sulfide gas pipeline in Andrews and Gaines Counties.
2. Notice of the application was published in a newspaper of general circulation in Andrews and Gaines Counties. The notice was published in *The Andrews County News* on September 5, 2010 and in *The Seminole Sentinel* on September 5, 2010. The application was filed with both the Gaines County Clerk and the Andrews County Clerk on September 2, 2010.
3. No protest to the application was filed with the Commission and no hearing was held.
4. DCP proposes construction of an H₂S gas pipeline in Gaines and Andrews Counties approximately 17 miles northwest of Andrews, Texas.
 - a. The 12 inch pipeline will run from the Fullerton gas plant in Andrews County, across Gaines County, and into New Mexico to the Linam gas plant. The line will be a part of the Fullerton gathering system.

- b. The line will be 19.8 miles long in Texas.
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 1,358 psig.
7. The maximum volume delivery design is 30,000 MCFD. The hydrogen sulfide concentration of the gas to be transported is 11,000 parts per million.
8. The 100 ppm radius of exposure is 3,796 feet and the 500 ppm radius of exposure is 1,735 feet.
 - a. The only public area within the 100 ppm radius of exposure is the Exxon-Mobil field office.
 - b. The 500 ppm radius includes a portion of Gaines County Road 7001, NW Road 800 and NW Road 9500 (McWhorter Road).
9. The contingency plan for the Fullerton gathering system has been updated to incorporate the proposed new line.
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 DCP Midstream, LP to construct and operate the proposed sour gas pipeline, be approved as set out in the attached Final Order.

Respectfully submitted,

Donna K. Chandler
Technical Examiner