



# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

OIL & GAS DOCKET NO. 01-0270864

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THE APPLICATION OF CHESAPEAKE MIDSTREAM DEVELOPMENT, LP TO  
CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE, JEA  
TRUNKLINE, DILLEY GAS GATHERING SYSTEM, LA SALLE COUNTY, TEXAS

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APPLICATION REVIEWED BY: Richard D. Atkins, P.E. - Technical Examiner

DATE APPLICATION FILED: May 19, 2011

DATE REVIEWED: June 9, 2011

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

This is the unprotested application of Chesapeake Midstream Development, LP ("Chesapeake") for Commission authority to construct and operate a hydrogen sulfide (H<sub>2</sub>S) gas pipeline in La Salle 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 Statewide 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

Chesapeake proposes construction of a gas gathering pipeline to transport produced gas from two horizontal wells to the Dilley Amine Plant in the Dilley Gas Gathering System (GGS). The line will be 10 3/4" in diameter and approximately 24.6 miles long. The line will carry a maximum of 30 MMCFPD of gas containing up to 2,000 parts per million (ppm) of H<sub>2</sub>S. The maximum operating pressure will be 1,440 psig.

The 100 ppm radius of exposure ("ROE") is 1,306 feet and the 500 ppm ROE is 597 feet. The pipeline is located in a rural area of La Salle County, however, the ROEs contain 45 public receptors (See attached area map). The receptors include deer blinds, deer stands, deer camps, barns and windmills. There are six residences and portions of three highways, IH-35, SH 97 and FM 469, located within the ROEs. The submitted contingency plan for the gathering line complies with the provisions of Statewide Rule 36(c)(9).

All materials will satisfy the requirements described in the latest editions of NACE Standard MR-0175-2003. The gathering line is constructed of API-5L- X52 FBE grade steel pipe. The line will be equipped with cathodic protection to prevent external corrosion. The line will be chemically treated as needed for internal corrosion and monitored with corrosion coupons. The line will be buried a minimum of 4 feet.

H<sub>2</sub>S warning signs compliant with Rule 36(c)(6)(A) and (c)(6)(B) will be posted at all 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.

The proposed line will comply with Statewide Rule 36(c)(8). Chesapeake will use safety controls and automatic devices. This will also trigger closure of the block valves. Low and high pressure shutdown valves will prevent the over pressuring of the pipeline and reduce escaping gases. Monitors will trigger audible, visual and dial-out alarms if an H<sub>2</sub>S concentration of 10 ppm to 50 ppm is detected. The pipeline pressure will be monitored 24/7 at the Dilley Amine Plant which is connected to a SCADA gas detection system.

Chesapeake published notice of the application in a newspaper of general circulation in La Salle County. The notice was published in *The Progress* on March 30, 2011. The application was filed with the La Salle County Clerk on March 30, 2011.

#### **FINDINGS OF FACT**

1. On May 19, 2011, Chesapeake filed an application for a permit to construct a hydrogen sulfide gas gathering pipeline in La Salle County.
2. Chesapeake published notice of the application in a newspaper of general circulation in La Salle County. The notice was published in *The Progress* on March 30, 2011. The application was filed with the La Salle County Clerk on March 30, 2011.
3. Chesapeake proposes construction of a gas gathering pipeline to transport produced gas from two horizontal wells to the Dilley Amine Plant in the Dilley GGS.
  - a. The line will be 10 3/4" in diameter and approximately 24.6 miles in length
  - b. The line will carry a maximum 30 MMCFPD of gas containing up to 2,000 parts per million (ppm) of H<sub>2</sub>S.
  - c. The maximum operating pressure will be 1,440 psig.
  - d. The 100 ppm ROE is 1,306 feet and the 500 ppm ROE is 597 feet.

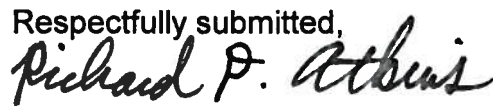
- e. The pipeline is located in a rural area of La Salle County, however, the ROEs contain 45 public receptors. The receptors include deer blinds, deer stands, deer camps, barns and windmills.
  - f. There are six residences and portions of three highways, IH-35, SH 97 and FM 469, located within the ROEs.
4. Pipeline materials and construction meet the NACE and API 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 Chesapeake Midstream Development, LP for Commission authority pursuant to Statewide Rules 106, 70 and 36, to construct and operate the proposed hydrogen sulfide gas pipeline in La Salle County, be approved.

Respectfully submitted,  


Richard D. Atkins, P.E.  
Technical Examiner