



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0289887

**THE APPLICATION OF MURPHY EXPLORATION & PRODUCTION CO. TO
CONSTRUCT AND OPERATE A SOUR GAS PIPELINE, THE MOURSUND PIPELINE,
EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS**

APPLICATION REVIEWED BY: Karl Caldwell – Technical Examiner

DATE APPLICATION FILED: June 17, 2014

DATE REVIEWED: July 28, 2014

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the application of Murphy Exploration & Production Co. ("Murphy") for Commission authority to construct and operate a hydrogen sulfide (H₂S) gas pipeline in Atascosa County, pursuant to Statewide Rules 36, 70 and 106. This application is for the construction of 3.34 miles (17, 635 feet) of pipeline ("Moursund Pipeline").

The proposed pipeline is part of the Tom South Gathering System (T-4 Permit No. 09161) and will gather full well steam production and transport it to the Murphy Tom Central facility. Notice of the application was filed with the Atascosa County Clerk on June 19, 2014 and published in the Pleasanton Express, a newspaper of general circulation in Atascosa County, on Wednesday June 25, 2014, page 6A.

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 Pipeline Safety Division has also reviewed the application and recommend approval. The examiner has also reviewed the application and recommends approval.

DISCUSSION OF THE EVIDENCE

The proposed Moursund Pipeline will be located in northern Atascosa County, approximately 0.6 miles north of Campbellton, Texas. The pipeline will consist of 8 5/8 inch and 6 5/8 inch pipe and be 3.34 miles in length. The pipeline will be a component of

the Tom South Gathering System (T-4 Permit No. 09161) and will gather full wet steam production in the area and transport it to the Murphy Tom Central facility. The 8 5/8 inch and 6 5/8 inch pipeline will carry a maximum escape volume of 476 MCF per day of sour gas with a hydrogen sulfide (H₂S) concentration of 1,488 parts per million. The 100 ppm radius of exposure (ROE) would be 81 feet and the 500 ppm ROE would be 37 feet. The 100 ppm ROE and the 500 ppm ROE do not include any public structures. Interstate Highway 37 and Farm-To-Market Road 791 intersect the 100 ppm ROE and the 500 ppm ROE (Attachment 1).

The maximum operating pressure of the Moursund Pipeline will be 1,440 psig. The system will be equipped with low/high pressure emergency shutdown systems along the line, H₂S monitors with low/high alarms set at 10 ppm and 20 ppm, and flares for incinerating released gas. All pipeline and compressor station operations will be remotely monitored 24 hours a day with a SCADA system. Murphy uses a 24 channel Red Line DC Monitor System to monitor the perimeter and site H₂S concentration.

The Moursund Pipeline will be constructed of API 5L GrB steel pipe, which has been accepted for sour service. Murphy shall utilize proper NACE and API recommended materials for sour gas service as well as maintain a chemical treating program and cathodic protection system to aid in preventing corrosion of the pipe. The pipeline will be buried a minimum of four (4) feet and will be properly marked with H₂S and operator identification signs along the right-of-way and road crossings. Murphy will also provide public outreach to educate the public on H₂S safety. The Murphy H₂S Production Contingency Plan for the Moursund Pipeline and H-9 Form comply with Statewide Rule 36.

The Pipeline Safety Division has reviewed the application and has received the T-4 (Application For a Permit To Operate A Pipeline in Texas) and all required documentation to process an initial or amended permit for the requested pipeline. Field Operations, Oil and Gas Division, recommends that the application to construct and operate a sour gas pipeline be approved.

FINDINGS OF FACT

1. On June 17, 2014, the Commission received an application from Murphy Exploration & Production Co. for a permit to construct a hydrogen sulfide gas pipeline in Atascosa County.
2. Notice of the application was filed with the Atascosa County Clerk on June 19, 2014 and published in the Pleasanton Express, a newspaper of general circulation in Atascosa County, on Wednesday June 25, 2014, page 6A.
3. The proposed Moursund Pipeline will be located in northern Atascosa County, approximately 0.6 miles north of Campbellton, Texas.

4. The Moursund Pipeline will be a component of the Tom South Gathering System (T-4 Permit No. 09161) and will gather full wet steam production in the area and transport it to the Murphy Tom Central facility.
 - a. The pipeline will consist of 8 5/8 inch and 6 5/8 inch diameter pipe and be 3.34 miles in length.
 - b. Will carry a maximum volume of 476 MCF per day of sour gas with a hydrogen sulfide (H₂S) concentration of 1,488 parts per million.
 - c. The maximum operating pressure will be 1,440 psig.
5. The 100 ppm radius of exposure is 81 feet.
6. The 500 ppm radius of exposure is 37 feet.
7. The 100 ppm ROE and the 500 ppm ROE do not include any public structures. Interstate Highway 37 and Farm-To-Market Road 791 intersect the 100 ppm ROE and the 500 ppm ROE
8. The Moursund Pipeline will be constructed of API 5L GrB steel pipe, which has been accepted for sour service.
9. Murphy shall utilize proper NACE and API recommended materials for sour gas service as well as maintain a chemical treating program and cathodic protection system to aid in preventing corrosion of the pipe.
10. The submitted contingency plan for the pipeline is in accordance and complies with the provisions of Statewide Rule 36(c)(9).
11. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36.
12. The Commission's Field Operations Section and Pipeline 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.

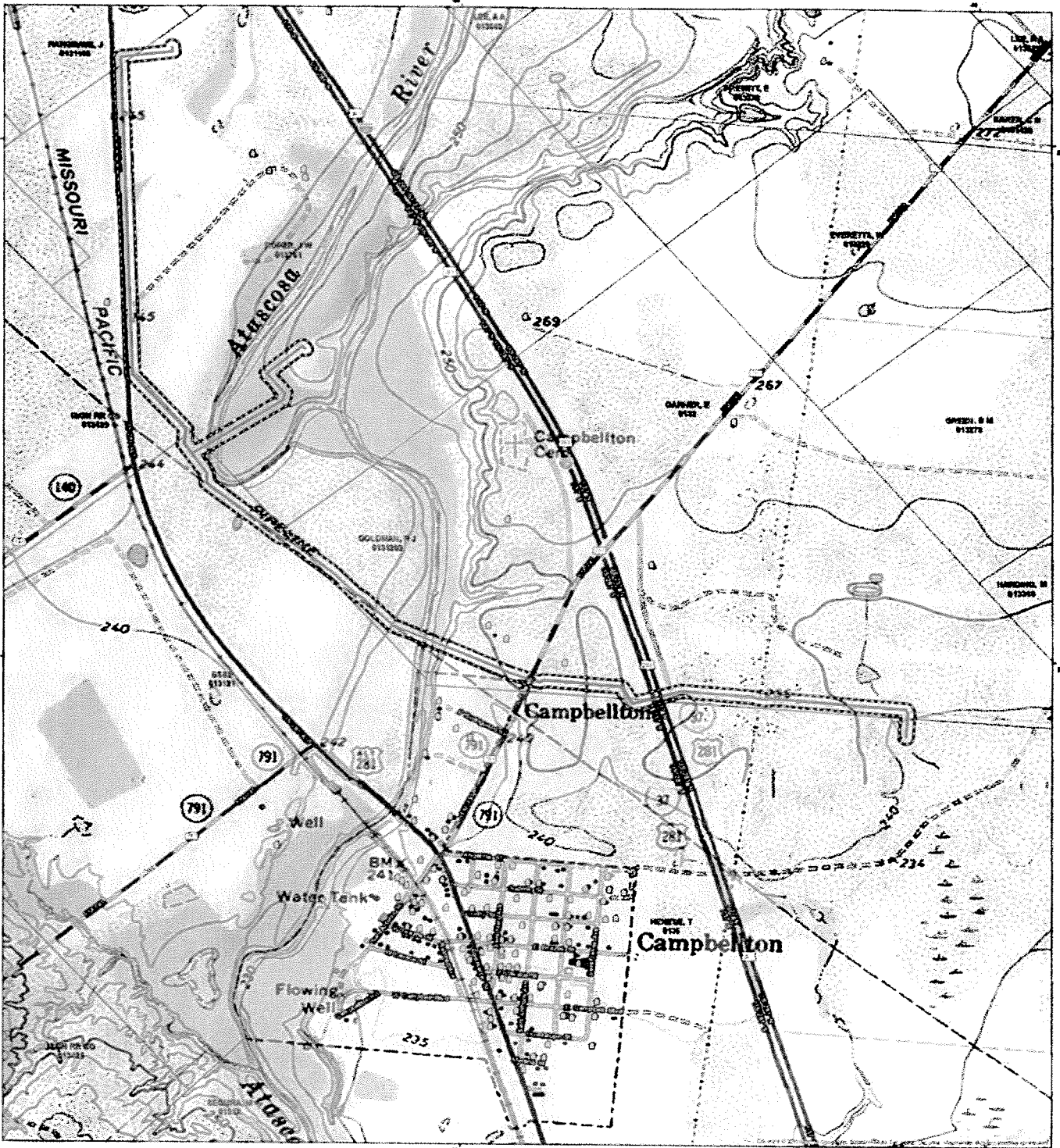
EXAMINER'S RECOMMENDATION

The examiner recommends that the Commission approve the application for authority pursuant to Statewide Rules 36, 70 and 106, to construct and operate the proposed Moursund Pipeline in Atascosa County, as requested by Murphy Exploration & Production Co.

Respectfully submitted,

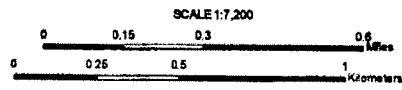
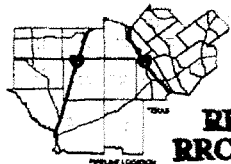
A handwritten signature in black ink, appearing to read 'Karl Caldwell', written in a cursive style.

Karl Caldwell
Technical Examiner



Coordinate System: NAD 83 North American 83
 Datum: North American 83
 Units: Meter

Map created using AutoCAD 14.1 with
 additional layout features of
 AutoCAD 14.1



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- Structure
- Moursund Gathering System
- 100ppm Radius of Exposure (81)

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JUN 17 2014

OT&A GASFIELD OPERATIONS

Atascosa County
 Map 1 of 1
 June 09, 2014