



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0290020

THE APPLICATION OF DCP MIDSTREAM, LP TO CONSTRUCT AND OPERATE A HYDROGEN-SULFIDE GAS PIPELINE, THE 12-INCH GF PIPELINE [GOLDSMITH TO FULLERTON], ECTOR AND ANDREWS COUNTIES, TEXAS

APPLICATIONS REVIEWED BY: Brian Fancher, P.G. - Technical Examiner
DATE APPLICATION FILED: June 24, 2014
DATE APPLICATION RECEIVED: October 1, 2014
DATE REVIEWED: October 2, 14, and 23, 2014

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

The subject application is unopposed. DCP Midstream, LP ("DCP") seeks authority to operate a hydrogen-sulfide gas pipeline in Ector and Andrews Counties, pursuant to 16 Texas Administrative Code §§3.36, 3.70, and 3.106.

The Railroad Commission's ("RRC") Oil and Gas Division has reviewed the subject application, and concluded that it satisfies the applicable requirements of 16 TAC §§3.36 and 3.106. The RRC's Pipeline Safety Division has reviewed the subject application, with respect to the applicable provisions of 16 TAC §3.70, and determined it satisfactory.

DISCUSSION OF THE EVIDENCE

The subject application is unopposed, and centers on DCP's request to construct its proposed 12-inch GF pipeline ("the pipeline"). In support of its application, DCP submitted several Commission forms that are required by the Oil and Gas Division and Pipeline Safety Division in the instant case. DCP's Form PS-79 (Application for a Permit to Construct a Sour-Gas Pipeline Facility), New Construction Report, and Form H-9 indicate that the pipeline will be an extension of an existing sour-gas pipeline facility (Permit No. 04825), and include the following characteristics: (1) 12-inches in diameter with 1/4-inch wall thickness; (2) 111,109 feet in length (21.1 miles); (3) constructed of API 5L X52 material; (4) gathers produced natural gas from wells in the Goldsmith and Fullerton areas; (5) transports natural gas that contains up to 12,000 ppm hydrogen-sulfide ("H₂S"); (6) maximum escape volume of 33,500 parts per million ("ppm"); (7) the 100 and 500 ppm radii of exposures ("ROE") are 4,295 feet and 1,963 feet, respectively; and, (8) the maximum operating pressure is 1,468 pounds per square inch ("psi"). By letter dated July 1, 2014, the Pipeline

Safety Division informed DCP that construction of the pipeline may proceed upon approval, and that a Form T-4 is required to be submitted for the pipeline prior to beginning operations.

DCP published notice of the subject application in the *Odessa American* on July 25, 2014, which is a newspaper of general circulation in Ector County. The subject application was filed with the Ector County Clerk on July 22, 2014. In addition, DCP published notice of the application in the *Andrews County News* on July 27, 2014, a newspaper of circulation in Andrews County. DCP submitted a copy of the application it filed with the Andrews County Clerk, complete with a file stamp dated July 22, 2014. On October 23, 2014, Dwyane Hillman, a Pipeline Compliance Specialist with DCP Midstream, LP, submitted a sworn affidavit attesting that a copy of the subject application was received by the Andrews County Clerk on July 22, 2014. On September 2, 2014, the Pipeline Safety Division approved the subject application¹. On September 30, 2014, the Oil and Gas Division submitted a memorandum to the Hearings Division that recommends the subject application be approved.

From north to south, the reported beginning and end points for the pipeline include the following latitude and longitude coordinates: (1) 32.036770, -102.665721; (2) 32.287393, -102.790325. In other words the pipeline's beginning point is roughly 13.8 miles west of Andrews, Texas and ends about 4.5 miles northwest of Goldsmith, Texas. The pipeline will cross several public roads that include: (1) County Road SW 900; (2) County Road 4990; (3) State Highway 115; (4) Farm to Market 181 (three times); (5) County Road SW 7900; and (6) County Road SW 7500.

The 100 and 500 ppm ROEs of H₂S are 4,295 feet and 1,963 feet, respectively. That is, the 100 ppm ROE of H₂S extends 4,925 feet from the pipeline and the 500 ppm ROE of H₂S extends 1,963 feet from the pipeline. There are no residences within the 100 ppm ROE. However, DCP provided a public awareness brochure that explains DCP's public awareness and damage prevention program to any resident within 1/4-mile from the pipeline (*i.e.*, basically within the 500 ppm ROE)².

All pipeline materials will satisfy the requirements described in the latest editions of NACE Standard MR-01-075.

FINDINGS OF FACT

1. DCP Midstream, LP ("DCP") seeks to construct its proposed 12-inch GF pipeline ("the pipeline"), which is an extension of an existing sour-gas pipeline gathering facility (T-4 Permit No. 04825).

¹ Electronic correspondence dated September 2, 2014 from Pipeline Safety Division staff to Oil and Gas Division staff.

² September 30, 2014 Oil and Gas Division Memorandum to Hearings Division.

2. DCP published notice of the subject application in the *Odessa American*, a newspaper of general circulation in Ector County, on July 25, 2014; and the *Andrews County News*, a newspaper of circulation in Andrews County, on July 27, 2014.
3. DCP filed a copy of the subject application with the Ector County Clerk and the Andrews County Clerk on June 22, 2014.
4. The pipeline will transport will carry approximately 33.5 million cubic feet of natural gas per day, of which will contain up to 12,000 parts per million (“ppm”) of hydrogen-sulfide gas (“H₂S”).
5. From north to south, the pipeline will begin and end at the following latitude and longitude coordinates: (1) 32.036770, -102.665721; (2) 32.287393, -102.790325.
6. The subject pipeline’s 100 ppm Radius of Exposure H₂S (“ROE”) is 4,295 feet and the 500 ppm ROE is 1,963 feet.
7. The pipeline will cross several public roads that include: (1) County Road SW 900; (2) County Road 4990; (3) State Highway 115; (4) Farm to Market 181 (three times); (5) County Road SW 7900; and (6) County Road SW 7500.
8. DCP provided a public awareness brochure that explains DCP’s public awareness and damage prevention program to any resident within 1/4-mile from the pipeline
9. Pipeline materials and construction for the subject pipeline will meet the NACE and API standards.
10. The Railroad Commission’s Oil and Gas Division, Pipeline Safety Division, and Gas Services Division recommend approval of the applications.

CONCLUSIONS OF LAW

1. Proper notice was timely presented pursuant to applicable statutes and rules.
2. All things have occurred and have been accomplished to give the Commission jurisdiction in this case.
3. Pipeline materials and construction for the subject pipeline will meet the NACE and API standards, as required by 16 Texas Administrative Code §3.36 for H₂S service.
4. DCP Midstream, LP’s subject application meets the requirements set forth in 16 Texas Administrative Code §§3.36, 3.70, and 3.106.

EXAMINER'S RECOMMENDATION

Based on the above Findings of Fact and Conclusions of Law, the examiner recommends that the application of DCP Midstream, LP for Commission authority to construct and operate the proposed 12-inch GF pipeline be APPROVED.

Respectfully,

A handwritten signature in cursive script, appearing to read "Brian Fancher".

Brian Fancher, P.G.
Technical Examiner