



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0294630

THE APPLICATION OF ACCESS MLP OPERATING LLC TO CONSTRUCT A SOUR GAS PIPELINE, PALOMINO LATERAL LOOP, DILLEY GAS GATHERING SYSTEM, LA SALLE COUNTY, TEXAS

APPLICATION REVIEWED BY: Paul Dubois – Technical Examiner

DATE APPLICATION FILED: December 12, 2014

DATE REVIEWED: December 23, 2014

CONFERENCE DATE: January 27, 2015

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the unprotested application of Access MLP Operating LLC (Access) for Commission authority to construct and operate a hydrogen sulfide (H₂S) gas pipeline in La Salle County, pursuant to Statewide Rules 36, 70 and 106 (16 Tex. Admin Code §§ 3.36, 3.70, and 3.106). On December 9, 2014, Access notified the La Salle County Clerk of the application. On November 6, 2014, Access published notice of the application in the *Frio-Nueces Current*, a newspaper of general circulation in La Salle County.

The Commission's Field Operations section has reviewed the application and has determined that the application and contingency plan comply with the applicable provisions of Statewide Rule 36. In addition, the Commission's Pipeline Safety Division has reviewed the application and recommends approval. The examiner has also reviewed the application and recommends approval.

DISCUSSION OF THE EVIDENCE

Access proposes to construct a sour gas pipeline that is part of its Dilley Rich Gas Gathering System. The 1.097 mile long pipeline will deliver sour gas from the Yarborough Lateral to the Heavy Compressor Facility. The 10-inch steel sour gas pipeline will carry approximately 14,000 mcf/day of gas with an H₂S concentration of 10,000 parts per million

(ppm). The maximum operating pressure will be 720 pounds per square inch (psi).

The pipeline will be constructed of API 5L X52 steel pipe, which has been accepted for sour gas service. Access 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 help prevent corrosion of the pipe. The pipeline will be buried a minimum of 4 feet and will be properly marked with H₂S and operator identification signs along the right of way and road crossings. Access will also provide public outreach to educate the public on H₂S safety.

The pipeline will be constructed in a rural and sparsely populated area. The 100 ppm radius of exposure (ROE) is 2,220 feet and the 500 ppm ROE is 1,014 feet. Access has conducted a field survey and identified receptors within the 100 ppm ROE, including eight (8) deer stands and one public road, Johnson Ranch Road. There are no homes or other structures within the 100 ppm ROE.

The system will be quipped with low/high pressure emergency shutdown systems, H₂S monitors with high/low alarms set at 50 and 10 ppm, flares for incinerating released gas, and remote monitoring and control via a supervisory control and data acquisition (SCADA) system.

FINDINGS OF FACT

1. On December 11, 2014, Access filed an application for a permit to construct a hydrogen sulfide gas pipeline in La Salle County.
2. On December 9, 2014, Access notified the La Salle County Clerk of the application. On November 6, 2014, Access published notice of the application in the *Frio-Nueces Current*, a newspaper of general circulation in La Salle County.
 - a. Access proposes construction of a 1.097 mile pipeline connecting Yarborough Latera to the Heavy Compressor Facility.
 - b. The pipeline will be 10 inches in diameter and in length.
 - c. The pipeline will carry a maximum of 14,000 mcf/day gas containing 10,000 parts per million (ppm) of H₂S.
 - d. The maximum operating pressure will be 720 psig.
3. The 100 ppm radius of exposure ("ROE") is 2,220 feet and the 500 ppm ROE is 1,014 feet. The pipeline will be constructed in a rural and sparsely populated area with no public structures located within the ROEs.

4. Eight deer stands are located within the 100 ppm ROE.
5. No homes or other structures are located within the 100 ppm ROE.
6. Johnson Ranch Road is located within the ROEs.
7. Pipeline materials and construction meet the NACE and API standards, as required by Statewide Rule 36 for hydrogen sulfide service.
8. The submitted contingency plan for the pipeline is in accordance and complies with the provisions of Statewide Rule 36(c)(9).
9. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36.
10. The Commission's Field Operations Section and Pipeline Safety Division have reviewed the application and recommend approval.

CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 3.46
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 Palamino Lateral Loop sour gas pipeline in La Salle County, as requested by Access MLP Operating LLC.

Respectfully submitted,



Paul Dubois
Technical Examiner