



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0298891

THE APPLICATION OF WILLIAMS MLP OPERATING, LLC TO CONSIDER A SOUR GAS PIPELINE PURSUANT TO STATEWIDE RULE 106 FOR THE DIAMONDBACK GGS / MUTZ INTERCONNECT, DIAMONDBACK GGS AREA, EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA AND MCMULLEN COUNTIES, TEXAS

APPLICATION REVIEWED BY: Karl Caldwell – Technical Examiner

DATE APPLICATION FILED: November 17, 2015

DATE REVIEWED: March 11, 2016

CONFERENCE DATE: March 29, 2016

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the application of Williams MLP Operating, LLC ("Williams MLP") for a permit to construct a sour gas pipeline facility in accordance with Statewide Rule 106 in Atascosa and McMullen Counties. This application is for the construction of 0.33 miles (1,742.4 feet) extension of an existing system.

The proposed pipeline is part of the Diamondback GGS / Mutz Interconnect system (T-4 Permit No. 08236). Notice of the application was filed with both the Atascosa and McMullen County Clerks on November 6, 2015. The application was published in the *Pleasanton Express*, a newspaper of general circulation in Atascosa County, on the following dates: November 11, 18, 25, and December 2 and 9, 2015. The application was also published in the *Progress*, a newspaper of general circulation in McMullen County, on November 11, 18, 25, and December 2, and 9, 2015.

The Commission's Field Operations Section has reviewed the Form H-9 (Certificate of Compliance Statewide Rule 36), contingency plan, and supporting data for the subject sour gas pipeline and determined that the proposal complies with the applicable provisions of Statewide Rule 36 regarding materials and operation. In addition, the Commission's Pipeline Safety Division has reviewed the application and has received the T-4 (Application for a Permit to Operate a Pipeline in Texas, Statewide Rule 70) and all required

documentation to process an initial or amended permit for the requested pipeline. In an Internal Memorandum, the H₂S coordinator, Districts 1-6 of the Oil and Gas Division has recommended that the application for a permit to construct a sour gas pipeline facility be approved. The Examiner recommends that a permit be issued.

DISCUSSION OF THE EVIDENCE

The Field Operations Section has reviewed the Form H-9 (Certificate of Compliance Statewide Rule 36), contingency plan, and supporting data for the subject sour gas pipeline and determined that the proposal complies with the applicable provisions of Statewide Rule 36 regarding materials and operation. The proposed 12" pipeline will be 0.33 miles (1742.4 feet) in length and located in Atascosa and McMullen Counties, Texas. This pipeline will connect the San Miguel Lateral to the Four K Truck line. The 12" steel sour gas pipeline will carry approximately 91,000 Mcf per day of gas, with an H₂S concentration of 20,000 parts per million (ppm). The 100 ppm radius of exposure (ROE) is 1,550 feet and the 500 ppm ROE is 495 feet. The 100 ppm ROE and the 500 ppm ROE include eight (8) public impact points that have been identified. The Contingency Plan identifies Statewide Highway 16 and a County Road to be located within the 500 ppm ROE, and one house, 2 deer blinds, and 5 well pads are within the 100 ppm ROE.

The pipeline will be constructed in a rural, sparsely populated area and will connect into an existing pipeline system. The maximum operating pressure of the pipeline will be 1,440 psig. The system will be equipped with low/high pressure emergency shutdown systems along the line and all pipeline and compressor station operations will be remotely monitored 24 hours per day via a SCADA system.

The line will be constructed of API 5L X52 steel pipe, which has been accepted for sour service. Williams MLP Operating, LLC, shall utilize proper NACE and API recommend materials for sour gas services as well as maintain a chemical treating program and a cathodic protection system to help prevent corrosion of the pipe. The line will be buried a minimum 4 feet and will be properly marked with H₂S and operator identification signs along the right of way and road crossings. Williams MLP Operating, LLC, will also provide public outreach to educate the public on H₂S safety. The Contingency Plan 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 Permit to Operate a Pipeline in Texas) and all required documentation to process an initial or amended permit for the requested pipeline. It is recommended that this application to construct and operate a sour gas pipeline be approved.

FINDINGS OF FACT

1. On November 17, 2015, the Commission received an application from Williams MLP Operating, LLC for a permit to construct a sour gas pipeline facility in Atascosa and McMullen Counties.
2. Notice of the application was filed with the Atascosa County Clerk on November 6, 2015 and published in the Pleasanton Express, a newspaper of general circulation in Atascosa County, on November 11, 18, 25, and December 2 and 9, 2015.
3. Notice of the application was filed with the McMullen County Clerk on November 6, 2015 and published in the Progress, a newspaper of general circulation in McMullen, on November 11, 18, 25, and December 2 and 9, 2015.
4. The proposed 12" pipeline will be 0.33 miles (1742.4 feet) in length and located in Atascosa and McMullen Counties, Texas.
5. The proposed pipeline is part of the Diamondback GGS/Mutz Interconnect system (T-4 Permit No. 08236).
 - a. The 12" steel sour gas pipeline will carry approximately 91,000 Mcf per day of gas, with a H₂S concentration of 20,000 parts per million (ppm).
 - b. The 100 ppm radius of exposure (ROE) is 1,550 feet and the 500 ppm ROE is 495 feet. The 100 ppm ROE and the 500 ppm ROE include eight (8) public impact points that have been identified.
 - c. The Contingency Plan identifies Statewide Highway 16 and a County Road to be located within the 500 ppm ROE, and one house, 2 deer blinds, and 5 well pads are within the 100 ppm ROE.
 - d. The pipeline will be constructed in a rural, sparsely populated area and will connect into an existing pipeline system.
 - e. The maximum operating pressure of the pipeline will be 1,440 psig.
 - f. The system will be equipped with low/high pressure emergency shutdown systems along the line and all pipeline and compressor station operations will be remotely monitored 24 hours per day via a SCADA system.

6. The pipeline will be constructed of API 5L X52 steel pipe, which has been accepted for sour service.
7. Williams MLP Operating, LLC, shall utilize proper NACE and API recommend materials for sour gas services as well as maintain a chemical treating program and a cathodic protection system to aid in preventing corrosion of the pipe.
8. The line will be buried a minimum 4 feet and will be properly marked with H2S and operator identification signs along the right of way and road crossings.
9. The Commission's Field Operations Section has reviewed the Form H-9 (Certificate of Compliance with Statewide Rule 36), contingency plan and supporting data for the subject sour gas pipeline and determined that the proposal complies with the applicable provisions of Statewide Rule 36 regarding materials and operation.
10. The Pipeline Safety Division has reviewed the application, received the T-4 (Application for Permit to Operate a Pipeline in Texas) and all required documentation required to process the permit.
11. The materials to be used in and method of construction and operation of the facility comply with the applicable rules and safety standards adopted by the Commission.

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 § 3.106.
3. The application meets the requirements of 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 a permit to construct a sour gas pipeline facility pursuant to Statewide Rule 106 for the Diamondback GGS / Mutz Interconnect in Atascosa and McMullen Counties as requested by Williams MLP Operating, LLC.

Respectfully submitted,



Karl Caldwell
Technical Examiner