



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0300842

THE APPLICATION OF WILLIAMS MLP OPERATING, LLC TO CONSIDER AUTHORITY PURSUANT TO 16 TAC §3.106 FOR A PERMIT TO CONSTRUCT A SOUR GAS PIPELINE FACILITY, THE THELMA TO PEELER TRUNKLINE, EAGLEVILLE (EAGLE FORD-1) FIELD, MCMULLEN COUNTY, TEXAS

DATE APPLICATION FILED: June 13, 2016
OIL AND GAS DIVISION REVIEW: July 27, 2016
TECHNICAL EXAMINER: Karl Caldwell
REVIEW DATE: August 26, 2016
CONFERENCE DATE: September 12, 2016

EXAMINERS' 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 McMullen County. The application is for the construction of approximately 4.33 miles (22862.4 feet) in length of pipeline as part of the Diamondback GGS system. 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 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. The Oil and Gas Division's H₂S coordinator for Districts 1-6 has recommended that the application to construct and operate a sour gas pipeline be approved. The Examiner recommends that a permit to construct a sour gas pipeline facility pursuant to Statewide Rule 106 be granted.

DISCUSSION OF THE EVIDENCE

On June 13, 2016, the Commission received Williams MLP's application for a permit to construct a sour gas pipeline facility. On July 15, 2016 the Commission received additional information to complete the application. Notice of the construction of the proposed sour gas pipeline was published in the *Progress*, a newspaper of general circulation published in McMullen County. The notice was published for a period of five (5) consecutive weeks: May 18th, 25th, June 1st, 8th, and 15th, 2016. A copy of Form PS-79 and a map showing the 100 ppm radius of exposure and the 500 ppm radius of exposure were received by the McMullen County Clerk on May 16, 2016.

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 20-inch pipeline will be 4.33 miles (22,862.4 feet) in length and located in McMullen County, Texas. The pipeline is part of the Diamondback GGS. The 20-inch steel sour gas pipeline will carry approximately 309,000 Mcf per day of gas with an H₂S concentration of 30,000 parts per million (ppm). The 100 ppm radius of exposure (ROE) is 2,840 feet and the 500 ppm ROE is 1,265 feet. ROE's were determined using the CANARY dispersion model. The 100 ppm ROE and the 500 ppm ROE include six (6) public impact points that have been identified in the application. Franklin Ranch Road is located within the 500 ppm ROE and five (5) residences are located within the 100 ppm ROE.¹

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 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 line 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. 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. In addition, the Oil and Gas Division's H₂S coordinator for Districts 1-6 has recommended that the application to construct and operate a sour gas pipeline be approved.

¹ See Contingency Plan.

FINDINGS OF FACT

1. On July 15, 2016, the Commission received a complete application from Williams MLP Operating, LLC for a permit to construct a sour gas pipeline facility in Atascosa and McMullen Counties, Texas.
2. Notice of the application was filed with the McMullen County Clerk on May 16, 2016.
3. Notice of the application was published in the Progress, a newspaper of general circulation in McMullen County, a period of five (5) consecutive weeks: May 18th, 25th, June 1st, 8th, and 15th, 2016.
4. The application is for the construction of approximately 4.33 miles (22,862.4 feet) pipeline as part of the Diamondback GGS system.
 - a. The 20-inch steel sour gas pipeline will carry approximately 309,000 Mcf per day of gas with an H₂S concentration of 30,000 ppm.
 - b. The 100 ppm radius of exposure (ROE) is 2,840 feet and the 500 ppm ROE is 1,265 feet.
 - c. ROE's were determined using the CANARY dispersion model..
 - d. The 100 ppm ROE and the 500 ppm ROE include six (6) public impact points that have been identified in the application.
 - e. The pipeline will be constructed in a rural sparsely populated area and will connect into an existing pipeline system.
 - f. The maximum operating pressure of the pipeline will be 1,440 psig.
 - g. 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.
5. The line will be constructed of API 5L-X52 steel pipe, which has been accepted for sour service.
6. Williams MLP Operating, LLC 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.

7. The line 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.
8. 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.
9. The Pipeline Safety Division has reviewed the application and received the T 4 (Application for Permit to Operate a Pipeline in Texas) and all required documentation required to process the permit for the requested pipeline.
10. 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.

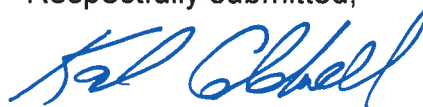
CONCLUSIONS OF LAW

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 grant a permit to construct a sour gas pipeline facility pursuant to Statewide Rule 106 for the Thelma to Peeler Trunkline in McMullen County as requested by Williams MLP Operating, LLC.

Respectfully submitted,



Karl Caldwell
Technical Examiner