



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 8A-0300544

THE APPLICATION OF OCCIDENTAL PERMIAN LTD, TO CONSIDER A SOUR GAS PIPELINE PURSUANT TO RULE 106, LEVELLAND LOOP LINE, LEVELLAND FIELD, HOCKELY COUNTY, TEXAS

APPLICATION REVIEWED BY: Richard Eyster, P.G. – Technical Examiner
DATE APPLICATION FILED: May 16, 2016
DATE APPLICATION RECEIVED: June 28, 2016
DATE REVIEWED: September 14, 2016

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

The subject application is unopposed. Accordingly, a public hearing was not held to consider the matter. Occidental Permian LTD, (Occidental) seeks authority to construct a 4.21 mile extension of the Levelland Loop sour gas pipeline located approximately .6 miles north of the town of Sundown, Hockley County, Texas.

The Commission's Oil and Gas Division has reviewed the subject application, and concluded that it satisfies the applicable requirements of Statewide Rules 36 and 106. The Commission's Pipeline Safety Division has also reviewed the subject application, with respect to Statewide Rule 70, and determined it satisfactory. Accordingly, The Examiner recommends that the subject application be granted, as proposed by Occidental.

DISCUSSION OF THE EVIDENCE

On May 16, 2016, Occidental submitted its original application to the Commission's Oil and Gas Division, which included several forms that are required. On May 8, 2016 the subject application was published in the *Levelland & Hockley County News-Press*, a newspaper having general circulation in Hockley County, and a copy of the subject application was delivered with the Hockley County Clerk on May 4, 2016.

The proposed sour gas line extension will be constructed of 10", 16", 20" and 24" fiberglass red thread HP 25 pipeline segments that will tie in to the Levelland Loop Line. Installation of the sour gas gathering system will follow Occidental's S-28-A specifications for hydrogen sulfide operations. This standard gives the mechanical requirements for systems

containing H₂S, and incorporates, and meets or exceeds the ASTM, ANSI, API, and NACE MR-01-75 requirements for H₂S operations.

The line will have an operating pressure of 80 psi and a maximum allowable operating pressure of 275 psi and a maximum H₂S concentration of 6,400 ppm. The line will transport approximately 82,600 MCF/day.

The 100 ppm and 500 ppm Radius of Exposures (ROE) are based on maximum calculated line inventory volume. With the use of the pressure activated emergency shutdown valve (ESD) the maximum volume of gas contained in the line after the valve shuts in and could escape and will be 667 MCF/day. The 100 ppm ROE is 250 feet. The 500 ppm ROE is 114 feet. There are no public receptors within the 100 ppm ROE. There are five public roads within the 500 ppm ROE. The public roads include HWY 303, Rawhide Rd., Roughneck Rd., Mineral Rd., and hart hat Rd. Proper H₂S signs and operator emergency numbers will be posted at all road crossings, access roads and along the pipeline right of way.

The Contingency plan and ROE map have been approved by the Commission's Oil and Gas Division. DCP has filed the appropriate and complete Pipeline/Gathering system Form H-9 for the pipeline.

The Commission's Oil and Gas Division and Pipeline Safety Division have reviewed the subject application, and recommend approval.

FINDINGS OF FACT

1. Occidental Permian Ltd. seeks construct a sour gas line extension of the Levelland Loop pipeline
2. Publication of the subject application was made On May 8, 2016 the subject application was published in the *Levelland & Hockley County News-Press*, a newspaper having general circulation in Hockley County.
3. A copy of the subject application was filed with the Hockley County Clerk on May 4, 2016.
4. The Pipeline will transport hydrogen sulfide gas ("H₂S") composed of up to 6,400 parts per million of H₂S.
5. The Pipeline is located approximately .6 miles north of the city of Sundown, Hockley County, extending 4.21 miles.
6. The Pipeline's 100 ppm and 500 ppm radii of exposure extend 250 feet and 114 feet, respectively.
7. Material to be used in, and the method of construction and operation of the Pipeline, comports with the Commission's applicable rules and safety standards.

8. The Contingency plan and ROE map have been approved by the Commission's Oil and Gas Division.
9. Occidental has filed the appropriate and complete Pipeline/Gathering system Form H-9 for the pipeline.

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. Legally sufficient notice has been provided pursuant to 16 Tex. Admin. Code §3.106.
3. Pipeline materials and construction of the Pipeline meets the NACE standard pursuant to 16 Tex. Admin. Code §3.36.
4. Occidental's subject application meets the requirements set forth in 16 Tex. Admin. 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 Occidental Permian LTD, for Commission authority to construct and operate the proposed Levelland Loop pipeline extension be approved.

Respectfully Submitted,



Richard Eyster, P.G.
Technical Examiner