

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 8A-0307897

THE APPLICATION OF SANTA FE MIDSTREAM PERMIAN LLC TO CONSIDER A SOUR GAS PIPELINE PURSUANT TO STATEWIDE RULE 106 FOR THE DOUBLE DOWN GAS GATHERING SYSTEM, PERMIAN BASIN FIELD AREA, YOAKUM COUNTY, TEXAS

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the above-numbered docketed application meets the requirements of Statewide Rule 106 (16 Tex. Admin. Code §3.106 Sour Gas Pipeline Construction Permit.) The proceedings having been duly submitted to the Railroad Commission of Texas at conference held in its office in Austin, Texas, the Commission makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. On November 16, 2017, Santa Fe Midstream Permian LLC filed with the Railroad Commission an application to construct a sour gas pipeline pursuant to 16 Tex. Admin. Code §3.106, the Double Down Gas Gathering System, Yoakum County, Texas.
2. On November 3, 2017, Santa Fe Midstream Permian LLC filed a copy of the application with the Yoakum County Clerk in Plains, Yoakum County, Texas.
3. On November 5, 2017, Santa Fe Midstream Permian LLC published notice of the application in *The Denver City Press*, a newspaper of general circulation in Yoakum County, Texas.
4. The Commission's Oversight and Safety Division has reviewed Form T-4 (Application for Permit to Operate a Pipeline in Texas) and recommends the pipeline permit be issued.
5. 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 pipeline and recommends the pipeline permit be issued.
6. On March 6, 2018, the application was received for review by the Commission's Hearings Division.
7. No protests were received.

8. On March 21, 2018, the Technical Examiner recommended the application be approved by the Commission at the next available conference.
9. The proposed pipeline will be about 44 miles long and will transport sour gas from the Wishbone Energy Partners central tank batteries (N33.240472, W102.991194) to Santa Fe Midstream's proposed 30-30 Gas Plant Facility (N33.006653, W103.025144).
10. The pipeline will consist of varying lengths of 4-inch, 6-inch, 8-inch, 12-inch and 16-inch pipe.
11. The pipeline will transport gas containing approximately 15,000 parts per million hydrogen sulfide at a rate of 13,500 thousand cubic feet ("mcf") per day.
12. The normal operating pressure will be 50 pounds per square inch ("psi") and the maximum allowable operating pressure will be 90 psi.
13. The system will be equipped with automatic emergency shutdown systems along the line and manual isolation valves will be located at each tank battery receipt point. Gas will be routed to flares in the event of high system pressure.
14. The pipeline will be constructed of SDR 11 Poly Pipe. Pipeline materials and construction meet the NACE and API standards, as required by Statewide Rule 36 for hydrogen sulfide service.
15. The pipeline will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36.
16. The 100 ppm radius of exposure ("ROE") of the pipeline is 2,797 feet, and the 500 ppm ROE of the pipeline is 1,278 feet.
 - a. The proposed pipeline is in a rural area with 27 public areas including 21 residences and 6 businesses within the 100 ppm ROE.
 - b. There are 16 public roads within the 500 ppm ROE.
 - c. These locations were verified by on-site review on December 6, 2017.
 - d. Santa Fe Midstream will brief the residences and businesses within the 100 ppm ROE on safety issues prior to the start of operations either through direct mailings or face-to-face meetings.
 - e. The contingency plan submitted by Santa Fe Midstream Permian LLC complies with the provisions of Statewide Rules 36(c)(9) and 106(a)9).

17. 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 complies with Statewide Rule 106. 16 Tex. Admin. Code § 3.106
4. Approving the application for a permit to construct and operate the proposed sour gas pipeline is consistent with the rules and safety standards adopted by the Commission.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Santa Fe Midstream Permian LLC to construct and operate a sour gas pipeline, the Double Down Gas Gathering System in Yoakum County, Texas, is hereby **GRANTED**. Santa Fe Midstream Permian LLC shall comply with all applicable rules and safety standards adopted by the Commission for the construction and operation of sour gas pipelines.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing of an application is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date Commission Order is signed.

Done this 10th day of April 2018.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated April 1, 2018)**