

**BEFORE THE RAILROAD COMMISSION OF TEXAS**

**APPLICATION OF OXY USA WTP LP FOR  
WAIVER PURSUANT TO 49 CFR 195 AND  
RULE 8 OF TAC, TITLE 16, PART 1 FOR  
THE USE OF A ZAP-LOK CONNECTION  
SYSTEM IN ITS WOLFBONE OIL  
GATHERING SYSTEM**

**§ GAS UTILITIES DOCKET No. 10790  
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**FINAL ORDER**

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to Chapter 551 of the Texas Government Code. The Railroad Commission of Texas ("Commission") hereby adopts the following findings of fact and conclusions of law and orders as follows:

**FINDINGS OF FACT**

1. The Commission issued Oxy USA WTP LP ("Oxy") permit No. 09365 on April 15, 2015, for 49.8 miles of 10- and 12- inch pipeline for its Wolfbone Oil Gathering System ("Wolfbone") in Reeves County, Texas, to transport crude oil.
2. The Wolfbone pipeline, which was constructed on May 18, 2015, was built with API 5L grade X52 steel pipe that uses the Zap-Lok Connection System ("Zap-Lok").
3. Oxy initiated a voluntary environmental, health, and safety audit of Wolfbone under the Texas Environmental, Health, and Safety Audit Privilege Act, Texas Health & Safety Code, Ch. 1101 ("Audit Act") on June 5, 2017, and determined that Wolfbone is a jurisdictional pipeline.
4. Pursuant to the Audit Act, Oxy voluntarily disclosed to the Commission, in a disclosure of violations letter dated December 5, 2017, that Wolfbone is a jurisdictional pipeline using the Zap-Lok technology.
5. Oxy filed its Application for Waiver for the use of the Zap-Lok in Wolfbone on November 13, 2018, pursuant to 16 Tex. Admin. Code §8.125.
6. Notice of the application was provided by certified mail, return receipt requested, to all affected persons entitled to notice pursuant to 16 Tex. Admin. Code §8.125(e)(1).
7. Notice of application was published in compliance with 16 Tex. Admin. Code §8.125(e)(2) in the *Pecos Enterprise*, a newspaper of general circulation in Reeves County, on November 22, 2018, and November 15, 2018.
8. The Pipeline Safety Department of the Oversight and Safety Division ("Division") did not receive any protests or letters of support for the application or any objections or requests for hearing from any affected person pursuant to 16 Tex. Admin. Code §8.125(f) and (g).

9. The Division determined the application was sufficient as to form and content in accordance with 16 Tex. Admin. Code §8.125 (c) & (d).
10. The Division recommended approval of the requested waiver in a memorandum dated February 14, 2019.

#### **CONCLUSIONS OF LAW**

1. The Commission has original jurisdiction to consider Applicant's application pursuant to TEX. UTIL. CODE §121.201 and 49 U.S.C. §60105.
2. Proper legal notice was timely given to all persons and entities entitled to notice under applicable statutes and rules.
3. All things have occurred and have been accomplished to give the Commission jurisdiction in this case. The Commission has jurisdiction under statutes and rules, including 49 C.F.R. Parts 192 and 195 and 16 Tex. Admin. Code §8.125, to authorize the requested waiver to use Zap-Lok on a jurisdictional line in accordance with the specifications in those rules.
4. Applicant is required to comply with all other minimum safety standards set forth in 49 C.F.R. Parts 192 and 195 as they apply to normal operation and maintenance.
5. The application for this waiver was not filed either to correct an existing violation or to avoid the expense of safety compliance.
6. Granting the requested waiver is not inconsistent with pipeline safety.

**IT IS THEREFORE ORDERED** that the application of Oxy USA WTP LP, for a waiver of Pipeline Safety Rules pursuant to 16 Tex. Admin. Code §8.125, is **GRANTED** as to the use of a Zap-Lok connection system in Oxy's Wolfbone Oil Gathering System. This waiver applies only to already existing Zap-Lok connections in the Wolfbone Oil Gathering System.

**IT IS FURTHER ORDERED** that the waiver, as granted, is subject to the special conditions outlined below.

**IT IS ALSO ORDERED** that no further waivers for installation of Zap-Lok technology within any Oxy USA WTP LP system or pipeline are granted.

#### **SPECIAL CONDITIONS**

1. Oxy is required to report any leaks or problems associated with the operation of this pipeline to the Commission's emergency line within one (1) hour of discovery. Should a leak occur, the Commission retains its authority to require the removal and/or replacement of the approved connections.
2. Future repairs, if necessary, must be completed by Zap-Lok-certified installation specialists and inspected by Zap-Lok technicians. Oxy must file repair reports with the Commission within 10 days of the repairs.

3. Oxy shall conduct all ongoing compliance. Activities, such as patrols, cathodic protection surveys, etc., following the most stringent frequency intervals required by 49 CFR Part 195 and Texas Administrative Code, Title 16, Chapter 8.
4. If the United States Department of Transportation does not grant the waiver application in accordance with 16 Tex. Admin. Code §8.125(j) and 49 U.S.C. §60118(d), the waiver is not effective.

**IT IS FURTHER ORDERED** that all requested findings of fact and conclusions of law, which are not expressly adopted herein, are **DENIED**.

**IT IS ALSO ORDERED** that all pending motions and requests for relief not previously granted or granted herein are **DENIED**.

**IT IS THEREFORE ORDERED** that UPON THE PASSAGE of sixty (60) days from the date this order is signed and no objection from the United States Secretary of Transportation having been received as provided for in 49 U.S.C. §60118(c)(1), this order shall become final and effective.

**SIGNED** on March 26, 2019, in Austin, Texas.

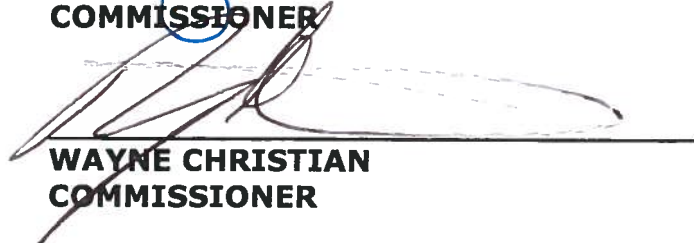
**RAILROAD COMMISSION OF TEXAS**



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**CHRISTI CRADDICK**  
**CHAIRMAN**



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**RYAN SITTON**  
**COMMISSIONER**



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**WAYNE CHRISTIAN**  
**COMMISSIONER**

**ATTEST:**



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**SECRETARY**

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