

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 05-0319087

**APPLICATION OF KUDU MIDSTREAM LLC (478441) TO CONSIDER A SOUR GAS
PIPELINE PURSUANT TO STATEWIDE RULE 106 FOR THE GOLD LAKE #1 SALES
TO ENBRIDGE 6 LINE, BALD PRAIRIE (CV CONSOLIDATED) AREA, ROBERTSON
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. Kudu Midstream LLC ("Kudu") seeks to construct its proposed Gold Lake #1 to Enbridge 6 ("Pipeline"), located in Robertson County, Texas.
2. On April 4, 2019, the subject application was published in *Robertson County News* and *Franklin Advocate*, two newspapers of general circulation in Robertson County, Texas.
3. A copy of the subject application was submitted to the Robertson County Clerk's Office on March 26, 2019.
4. The Pipeline is designated as a new system intended to transport sour natural gas.
5. The Pipeline will consist of pipe that measures 6-inch outer diameter, and it will extend roughly 9,029 feet in total length.
6. The pipeline will transport a maximum of 20,000 ppm H₂S with a normal operating pressure of 850 psig, and a maximum allowable operating pressure ("MAOP") of 1,440 psig.
7. The 100 ppm and 500 ppm Radius of Exposures are based on the uncontrolled flow rate of the single upstream natural gas well. This rate is approximately 25,000 thousand cubic feet per day ("mcf/d"). However, an uncontrolled flow rate is

extremely unlikely due to pressure monitoring and pressure controlled emergency shut-downs (ESDs) on the well itself.

8. The Radius of Exposure ("ROE") of the pipeline at 100 ppm is 5,519 feet and 2,522 feet at 500 ppm.
9. Kudu submitted a copy of its H₂S Contingency Plan for the Pipeline ("Plan").
10. The Plan outlines that there are 135 public receptors within the 100 ppm ROE. There are several public roads within the 100 ppm ROE including State Hwy 79, County Rd. 368 (Holly Cemetery Rd.), County Rd. 365, Lake Branch Rd., and Trey Ln.
11. Kudu evidenced that the proper H₂S signs and operator emergency numbers will be posted at all public road crossings.
12. Materials used to construct the Pipeline will satisfy the latest industry standards.
13. 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.
14. The Commission's Oil and Gas Division and Pipeline Safety Division have reviewed the Subject Application and recommend approval.
15. The Applicant agreed via correspondence that the Final Order in this case is to be effective when the Master Order is signed.

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. Pipeline materials and construction of the Pipeline meets the NACE standards. 16 Tex. Admin. Code §3.36.
5. Pursuant to § 2001.144(a)(4)(A) of the Tex. Gov. Code, and the agreement of the applicant, this Final Order is effective when a Master Order relating to this Final Order is signed.

Therefore, it is ORDERED by the Railroad Commission of Texas that the application of Kudu Midstream LLC to construct and operate a sour gas pipeline, Gold Lake #1 to Enbridge 6, Robertson County, Texas, is hereby **GRANTED**. Kudu Midstream LLC shall comply with all applicable rules and safety standards adopted by the Commission for the construction and operation of hydrogen sulfide gas pipelines.

Done this 18th day of June 2019.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed
by Hearings Division's Unprotected
Master Order dated June 18, 2019)