



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

November 22, 2022

Mr. Jameson Gowin
Unconventional SSHE DOT Advisor
XTO Energy, Inc.
22777 Springwoods Village Parkway
Spring, TX 77389

Dear Mr. Gowin:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA), dated September 27, 2021, you requested an interpretation of the Federal pipeline safety regulations in 49 Code of Federal Regulations (CFR) Part 193 with respect to your natural gas processing and liquefied natural gas (LNG) storage facility in Hawkins, Texas (Hawkins Gas Plant).

You stated that XTO Energy owns and operates the Hawkins Gas Plant, which receives feed gas from the Hawkins gas gathering system by a class 1 unregulated gathering pipeline. You stated that the facility produces LNG as a byproduct and stores it onsite in two 50,000-gallon LNG storage tanks. You stated that the LNG is periodically sold and transported by truck. In addition, you provided a block flow diagram of the facility. The diagram indicates, and you confirmed in a follow-up email, that gas is sold to Kinder Morgan from the plant via a Part 192-regulated transmission line.

You believe the Hawkins Gas Plant is not regulated under Part 193 because it receives gas from an unregulated pipeline and the produced LNG is transported from the facility by truck. You asked whether the Hawkins Gas Plant is regulated under Part 193.

Under § 193.2007, an LNG facility is “a pipeline facility that is used for liquefying natural gas or synthetic gas or transferring, storing, or vaporizing liquefied natural gas.” Additionally, a pipeline facility “means new and existing piping, rights-of-way, and any equipment, facility, or building used in the transportation of gas or in the treatment of gas during the course of transportation.” Section 193.2001 defines the scope of regulated LNG facilities as:

§ 193.2001 Scope of part.

(a) This part prescribes safety standards for LNG facilities used in the transportation of gas by pipeline that is subject to the pipeline safety laws (49 USC 60101 *et seq.*) and Part 192 of this chapter.

(b) This part does not apply to:

- (1) LNG facilities used by ultimate consumers of LNG or natural gas.
- (2) LNG facilities used in the course of natural gas treatment or hydrocarbon extraction which do not store LNG.

In addition, PHMSA has explained in guidance that LNG facilities are regulated under Part 193 if the LNG facility either receives from or delivers to a Part 192 pipeline.¹ The Hawkins Gas Plant is an LNG facility subject to regulation under Part 193 because it is a pipeline facility that stores LNG and because it delivers gas to a Part 192-regulated pipeline. Further, the Hawkins Gas Plant is not exempt from Part 193 under § 193.2001(b)(1) or (b)(2) because the facility is not the ultimate consumer of the LNG or natural gas and because the facility stores LNG.

Therefore, the Hawkins Gas Plant is regulated under Part 193.

If we can be of further assistance, please contact Tewabe Asebe at 202-366-5523.

Sincerely,

John A. Gale
Director, Office of Standards
and Rulemaking

¹ See PHMSA, “LNG Plant Requirements: Frequently Asked Questions,” at G1, <https://www.phmsa.dot.gov/pipeline/liquified-natural-gas/lng-plant-requirements-frequently-asked-questions>.



September 27, 2021

Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
East Building, 2nd Floor 1200 New Jersey Ave.
SE Washington, DC 20590-0001

Attn: Mr. John Gale

Note: Request for Interpretation of 49 CFR Part 193

Dear Mr. Gale,

XTO Energy, Inc is requesting a formal written interpretation pursuant to 49 CFR Part §190.11(b). Regarding the applicability of the Department of Transportation regulations at 49 CFR Part §193.2001 for XTO Energy's Hawkins Gas Plant, located in Hawkins, Texas. Please see written description and Appendix A which contains block flow diagram of process flow.

Facility Overview

XTO Energy owns and operates a natural gas processing facility in Hawkins, TX. The plant is located in a rural area where it receives feed gas from the Hawkins gas gathering system via non-jurisdictional Class 1 pipelines, per 49 CFR Part §192.5.

Gas Processing Overview

Low Pressure Gas, fed from non-jurisdictional Class 1 pipelines, is compressed via compression, blends with High Pressure and Cap Gas, and then enters into the inlet of the amine system. The gas is stripped of any H₂S and CO₂. The gas is then sent into a mole sieve dehydration system to remove any remaining moisture content. The gas enters the Nitrogen Recovery Unit (NRU) through an expander where Natural Gas Liquids (NGL's) are dropped out. The gas continues through brazed aluminum exchangers in the NRU to continue the temperature drop with help of a propane chiller to temperatures of a minus (-) 260° F to separate the N₂ from the methane stream. When the methane is separated in its liquid stage, a side stream flow that is not needed for cooling of the NRU process, is moved to Liquid Natural Gas (LNG) tanks for 3rd party Truck Sales. The N₂ stream is warmed to a gaseous state and compressed and reinjected back into the field reservoir to the Enhanced Oil Recovery (EOR) System. The liquefied methane that continues through the NRU is warmed to a gaseous state and compressed to a gas Sales Line. The LNG volume produced to tanks is purely based on the amount of liquid methane that can be flowed through the side stream without effecting the cooling of the NRU and LNG customer loading and market prices (max LNG side stream flow 60K gallons per 24 hours with cool ambient temperatures)(Hot ambient temperatures about 40K gallons per 24 hours). When both market price and scheduling of truck transportation is met, the LNG is unloaded onto truck loading system from 1 of 2 50,000 gallon storage tanks onsite within the gas processing facility.

Due to the fact that XTO Energy's Hawkins Gas Plant receives its gas feed via an unregulated Class 1 49 CFR Part §192.5 pipeline and the resulting LNG leaves the facility via 3rd party trucks, XTO Energy believes that the Hawkins Gas Plant would not be subject to the requirements of 49 CFR Part §193.

If the Pipeline and Hazardous Materials Safety Administration (PHMSA) requires any additional information or would like to discuss further, please do not hesitate to contact me at the number and address below.

We thank PHMSA in advance for your consideration of this request.

Sincerely,

Jameson Gowin – Unconventional SSHE DOT Advisor
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Spring, Texas 77389
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jameson.gowin@exxonmobil.com

Appendix A

