

## GENERAL RULES AND REGULATIONS

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### **RULE D-17: GENERAL RULE FOR THE REGULATION OF NATURAL GAS PIPELINES**

#### a) Definitions

- 1) Jurisdictional Pipeline means any onshore natural gas pipeline regulated under Federal Regulation 49 CFR Part 192 as amended, which is within the jurisdiction of the Arkansas Oil and Gas Commission in accordance with Ark. Code Ann. § 15-71-110 as amended.
- 2) Non-Jurisdictional Pipeline means any onshore natural gas pipeline, including but not limited to flowlines, production lines, or gathering lines, not under jurisdiction of Federal Regulation 49 CFR Part 192 as amended, which is within the jurisdiction of the Arkansas Oil and Gas Commission in accordance with Ark. Code Ann. § 15-71-110 as amended.
- 3) Perennial Stream means: a stream that has flowing water year-round during a typical year, the water table is located above the stream bed for most of the year, groundwater is the primary source of water for stream flow, and runoff from rainfall is a supplemental source of water for stream flow.
- 4) Pipeline Operator means any person who owns or operates and is responsible for the construction, operation and maintenance of a natural gas pipeline which transports natural gas from the well within the jurisdiction of the Arkansas Oil and Gas Commission in accordance with Ark Code Ann. § 15-71-110 as amended.

#### b) Applicability

- 1) For purposes of this Rule, the jurisdiction of the Arkansas Oil and Gas Commission, as specified in Ark Code Ann. Ann. § 15-71-110 as amended, extends and includes:
  - A) The production process or production facility as defined in Ark Code Ann. § 15-71-110 as amended; or
  - B) A natural gas pipeline or associated facility whose owner is not affiliated with an Arkansas natural gas public utility and the majority owner is either a production company or an affiliate of a production company.
- 2) Every Pipeline Operator transporting natural gas by pipeline from the well is subject to the applicable provisions of this rule. Natural gas pipelines from the well, to a custodial transfer meter located on the well pad, are exempt from the provisions of this rule.

#### c) General Requirements for all Jurisdictional and Non-Jurisdictional Pipelines:

- 1) Each Pipeline Operator shall apply, on a form prescribed by the Director, for an initial statewide permit to construct and operate a natural gas pipeline system. The initial permit application shall contain at a minimum the following:
  - A) Name, address and contact information for the Pipeline Operator;
  - B) Map, or other media acceptable to the Director, showing the location of all natural gas pipelines from the producing wells through any production or processing equipment or treating facility, and to the termination point of the jurisdiction of the Arkansas Oil and Gas Commission, including all public road, railroads and perennial stream crossings;

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- C) A determination as to what pipelines are jurisdictional;
  - D) Submission of the applicable permit fee as follows:
    - (i) no permit fee is required for 1 mile or less, provided the pipeline does not cross a public road, railroad or perennial stream.
    - (ii) less than 50 miles of pipeline, including pipelines in (c)(1)(D)(i) above which cross public roads, railroads or perennial streams - \$500.00
    - (iii) 50 miles to less than 100 miles of pipeline - \$1,500.00
    - (iv) 100 miles to less than 250 miles of pipeline - \$2,500.00
    - (v) 250 miles or more of pipelines - \$5,000.00
- 2) Each Pipeline Operator shall be required to submit an annual permit renewal by January 31 of each year.
  - 3) The renewal permit shall include a revised pipeline map showing any new pipeline additions constructed during the previous year, an annual report on a form prescribed by the Director, along with a permit renewal fee in accordance with paragraph (c)(1)(D) above. The renewal permit shall also contain the Pipeline Operator's determination as to which pipelines are jurisdictional.
  - 4) Each Pipeline Operator shall submit a Notice of Construction or Repair, on a form prescribed by the Director, prior to commencing construction or within 48 hours after completing repair, for each segment or project length of pipeline constructed during the year. The Notice shall indicate the location and extent of the natural gas pipelines to be constructed or repaired.
  - 5) Each Pipeline Operator shall notify the Director, or his or her designee, within five (5) calendar days of exceeding any natural gas pipeline's established maximum allowable operating pressure. This shall be submitted on a form prescribed by the Director.
  - 6) Each Pipeline Operator shall submit a Notice of Incident, on a form prescribed by the Director for each incident of release due to natural gas pipeline failure which results in:
    - A) A death or personal injury requiring in-patient hospitalization; or
    - B) A total cost of repair, including the value of natural gas lost, of ten thousand dollars (\$10,000) or more; or
    - C) An event that is significant, in the judgment of the operator, even though it did not meet the criteria of subparagraphs (A) or (B) above.
- d) Requirements for all Non-Jurisdictional Pipelines
    - 1) All pipelines crossing any stream or stream bed shall comply with applicable state and federal rules and regulations. Additionally, any stream crossing of perennial streams, constructed on or after December 16, 2007, shall maintain a minimum of fifty (50) feet of undisturbed stream bank for the protection of the stream. However, the fifty (50) feet of

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undisturbed stream bank requirement may be modified by the Director provided that the Pipeline Operator provides proof that the Pipeline Operator has received approval for the crossing from a state or federal agency.

- 2) Each Pipeline Operator shall place and maintain appropriate signage at all natural gas pipeline crossings of public roads and railroads. The marker should include the words “Warning”, “Caution” or “Danger” followed by the words “Gas Pipeline” along with the Pipeline Operator’s name and telephone number where the Pipeline Operator can be reached at all times.
  - 3) Each Pipeline Operator which operates natural gas pipelines within the limits of any incorporated or unincorporated city, town or village, shall be a member of a qualified one-call program.
  - 4) All natural gas pipelines, constructed after the effective date of this rule, shall be buried at least twenty-four (24) inches below ground surface, or in accordance with other applicable state or federal laws.
- e) Requirements for Jurisdictional Pipelines
- 1) All Jurisdictional Pipelines shall be in compliance with construction, operation and maintenance requirements contained in Federal Regulations 49 CFR Part 192 Subpart A thru Subpart P as amended, which are herein incorporated by reference.
  - 2) All Jurisdictional Pipelines shall be subject to the applicable enforcement provisions of Federal Regulation 49 CFR Part 190 as amended, which are herein incorporated by reference.
  - 3) All Jurisdictional Pipelines shall be subject to the applicable incident and other reporting requirements contained in Federal Regulation 49 CFR Part 191 as amended, which are herein incorporated by reference, and all such reports shall be submitted to the Arkansas Oil and Gas Commission.
  - 4) All Pipeline Operator of Jurisdictional Pipelines shall be subject to the applicable drug and alcohol testing requirements contained in Federal Regulation 49 CFR Part 199 as amended, which are herein incorporated by reference.
  - 5) All Jurisdictional Pipelines which contain over 100 PPM hydrogen sulfide shall also be subject to the provisions of subparagraph (f) below, unless the provisions of subparagraph (f) are less stringent than any applicable requirement of this subparagraph (e).
- f) Additional Requirements for All Pipelines Containing 100 PPM or Greater Hydrogen Sulfide.
- 1) Construction, Operating and Maintenance Requirements:
    - A) All pipeline materials must be chemically compatible with any natural gas transported by the natural gas pipeline and such pipeline shall maintain structural integrity under the anticipated temperatures and environmental conditions for which the natural gas pipeline may be exposed, and

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- B) All piping must be of sufficient thickness or must be installed with adequate protection to withstand anticipated external pressures and loads that will be imposed on the pipe after installation, and
  - C) No natural gas pipeline may be operated after new construction, repair or relocation until it has been successfully tested for at least one hour with a minimum pressure of 1.25 times the maximum operating pressure to substantiate the maximum operating pressure with all leaks located and eliminated, and
  - D) All metallic natural gas pipelines must be adequately protected from both external and internal corrosion and the Pipeline Operator is required to submit an annual report, by March 31<sup>st</sup> of every year for the preceding calendar year, of the effectiveness of the company's corrosion program, with such protection efforts performed by an independent contractor specializing in the control of corrosion.
- 2) Each Pipeline Operator shall prepare, maintain and follow for each natural gas pipeline, a manual of written procedures for conducting operations, maintenance activities and emergency response. This plan must be reviewed and updated as often as necessary. A review must be conducted annually but not to exceed 15 months between reviews.
  - 3) Each Pipeline Operator shall have a procedure for continuing surveillance of its facilities and take appropriate action regarding, failures, corrosion and operating conditions.
  - 4) Each Pipeline Operator must develop and carry out a damage prevention program to prevent damage to its natural gas pipelines from excavation activities. Each Pipeline Operator shall be a member of the state wide "one-call" system. The plan must have a method of communicating to excavators in the area where the natural gas pipeline is located of the existence of the natural gas pipeline, provide a means of receiving and recording notification of planned excavation activities, provide for temporary marking of the natural gas pipeline and inspection of the natural gas pipeline when the Pipeline Operator has reason to believe it could be damaged by excavation activities.
  - 5) Each Pipeline Operator shall establish written procedures to minimize the hazards resulting from a natural gas pipeline emergency event. Each plan must include at a minimum:
    - A) Methods of receiving and identifying an event which requires immediate response; and
    - B) Methods for establishing and maintaining adequate communication with appropriate emergency response and public officials; and
    - C) Methods for determining safe areas related to evacuation and security during an event; and
    - D) Methods for training employees of their duties and responsibilities during an event.
  - 6) Each Pipeline Operator shall develop and implement a written continuing public awareness plan which includes provisions for educating the public, appropriate governmental organizations and persons engaged in excavation activities. Use of a one-call notification prior to conducting excavation, possible hazards associated with unintended releases from the natural gas pipeline, physical indications that such a release

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may have occurred, steps that should be taken for the safety of the public, procedures for reporting such an event. The program must include activities to advise affected municipalities, schools, businesses and residents along the pipeline right of way. The program and media used must be as comprehensive as necessary to reach all areas in which the Pipeline Operator shall transport gas.

- 7) Each Pipeline Operator shall establish procedures for analyzing accidents and failures for the purpose of determining the cause of the failure and minimizing the possibility of subsequent reoccurrence.
- 8) Each Pipeline Operator shall not operate any natural gas pipeline at a pressure that exceeds the documented pressure at which the natural gas pipeline may be safely operated.
- 9) Each Pipeline Operator shall have a patrol program to observe surface conditions on and adjacent to its pipeline right-of-way for indications of leaks, construction activity, erosion, condition of signage, conditions at public road and railroad crossings and other factors affecting safety and operation of the pipeline. Patrols shall be conducted and documented at least twice each calendar year, not to exceed 7 ½ months between patrols.
- 10) Each Pipeline Operator shall maintain appropriate pipeline markers at all public road and railroad crossings and along the pipeline at intervals necessary to identify the location of the buried pipeline. The marker should include the words “Warning”, “Caution” or “Danger” followed by the words “Gas Pipeline” along with the Pipeline Operator’s name and telephone number where the Pipeline Operator can be reached at all times.
- 11) Each pressure relieving device in a compressor station, pressure limiting station or regulator station must be inspected, tested and operated at the pipelines maximum operating pressure, once each calendar year and not to exceed 15 months to determine proper operation.
- 12) Each remote controlled shutdown device must be inspected and tested once each calendar year and not to exceed 15 months to determine proper operation.
- 13) Each line valve that serves to block a segment of pipeline and or might be used in an emergency, must be inspected and partially operated once each calendar year and not to exceed 15 months.
- 14) Each Pipeline Operator shall maintain records associated with operation and maintenance of the pipeline required in this section.
- 15) Each natural gas pipeline abandoned in place must be disconnected from all sources of gas, purged of gas, filled with freshwater or inert material and sealed at both ends. When a pipeline is being purged all efforts must be taken to (i) prevent the formation of a hazardous mixture of gas and air, (ii) ensure that all safety equipment necessary is present, (iii) remove all non-essential persons from the area and (iv) ensure the public is adequately protected.

(Source: (Order No. 90-97) October 28, 1997; amended December 16, 2007; amended September 14, 2008; amended October 24, 2009; amended January 20, 2014)