



Southern Star Central Gas Pipeline, Inc.
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October 17, 2019

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Southern Star Central Gas Pipeline, Inc.
Prior Notice Request to Abandon Two Wells and
Related Lateral Line in South Welda Storage Field,
Anderson County, Kansas
Docket No. CP20-____-000

Dear Secretary Bose:

Southern Star Central Gas Pipeline, Inc. ("Southern Star"), pursuant to the authority of its blanket certificate issued in Docket No. CP82-479-000 and the provisions of Sections 157.205 and 157.216 of the regulations of the Federal Energy Regulatory Commission ("Commission"), herewith submits for eFiling a Prior Notice Application seeking authorization to abandon two wells and approximately 855 feet of 4.5-inch diameter lateral pipeline in Southern Star's South Welda Storage Field ("South Welda") in Anderson County, Kansas.

The electronic files include the following documents, which have been classified as "Public" or "Privileged and Confidential" as noted below.

Volume I - Public Files:

- This transmittal letter describing the filing and its content
- Prior Notice Request
- Form of Notice
- Attachment 1 – Proposed Accounting Treatment of Abandonment
- Attachment 2 – Environmental Report
- Attachment 3 – Topographic Map
- Appendix A – KCC Well Reports

Volume II - Privileged and Confidential Files:

- Attachment 2, Appendix D – Landowner List

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Pursuant to the Commission's electronic filing guide, Southern Star is eFiling this Prior Notice and will provide two complete paper copies to the Commission's Office of Energy Projects (OEP Room 62-46).

Please call the undersigned at (270) 852-4655 with any questions regarding the documents.

Respectfully submitted,

/s/ Cindy C. Thompson

Manager, Regulatory

Enclosures

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

In the Matter of)	
)	Docket No. CP20-_____-000
Southern Star Central Gas Pipeline, Inc.)	

PRIOR NOTICE REQUEST
FOR AUTHORIZATION TO ABANDON TWO WELLS AND RELATED FACILITIES
PURSUANT TO BLANKET CERTIFICATE

Southern Star Central Gas Pipeline, Inc. ("Southern Star") herewith submits a prior notice request under the provisions of its blanket certificate (Docket No. CP82-479-000) and Sections 157.205 and 157.216(b) of the regulations of the Federal Energy Regulatory Commission ("Commission") for authorization to abandon two wells and approximately 855 feet of 4.5-inch diameter lateral pipeline in Southern Star's South Welda Storage Field in Anderson County, Kansas.

The proposed abandonment of the two wells and approximately 855 feet of 4.5-inch diameter lateral pipeline (the "Project") will result in no elimination or reduction in service to customers. Nor will the Project have any impact on the South Welda Storage Field's certificated parameters, including total gas storage inventory, reservoir pressure, reservoir or buffer boundaries, or certificated capacity.

APPLICANT

The exact legal name of the party tendering the request is Southern Star Central Gas Pipeline, Inc., and its principal place of business is located at 4700 State Highway 56, Owensboro,

Kentucky 42301. Southern Star is a corporation organized and existing under the laws of the State of Delaware and is duly authorized to conduct business in the states of Colorado, Delaware, Kansas, Kentucky, Missouri, Nebraska, Oklahoma, Texas and Wyoming. Southern Star is a natural gas company, as defined in Section 1(b) of the Natural Gas Act (“NGA”), engaged in the business of storing and transporting natural gas in interstate commerce under authorizations granted by the Commission.

COMMUNICATIONS

Correspondence and communications in regard to this request are to be addressed as follows:

Cindy Thompson
Manager, Regulatory
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Douglas Field
Senior Attorney
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The above listed persons are designated to receive service pursuant to Rule 2010 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §385.2010 (2011), and eService is requested in lieu of paper copies.

DESCRIPTION OF EXISTING OPERATIONS

Southern Star owns and operates an interstate pipeline transmission system consisting of approximately 5,800 miles of pipeline and eight underground natural gas storage fields, including the South Welda Storage Field, that delivers clean, affordable natural gas to a variety of natural gas customers, including local distribution companies who in turn redeliver that gas to residential, commercial, industrial and institutional customers across the Midwest and Mid-Continent regions.

Southern Star’s South Welda Storage Field is located in Anderson County, Kansas. Originally developed as a gas production field in the early 1920s, the depleted gas field was

converted to underground storage in 1937. It was part of the original interstate natural gas pipeline system operated by Cities Service Gas Company (Southern Star's predecessor) when it received its grandfathered certificate of public convenience and necessity in 1943 under the NGA.¹ The South Welda Storage Field has a total certificated storage capacity of 18,300 MMcf, consisting of 11,600 MMcf of base gas and 6,700 MMcf of working gas, its certificated maximum wellhead pressure is 433 pounds per square inch gauge (psig), and its certificated maximum deliverability is 156 MMcf/day.² It is one of three storage fields in Southern Star's Welda Complex (consisting of the Colony, South Welda and North Welda Storage Fields) which collectively have a certificated deliverability of 412 MMcf/day. The South Welda Storage Field includes a total of 124 wells – 97 injection/withdrawal wells, 6 observation wells, 20 pressure recovery and withdrawal only wells, and 1 water disposal well.

REQUEST TO ABANDON FACILITIES

Pursuant to this prior notice, Southern Star seeks authorization to abandon two wells in the South Welda Field that were required to be plugged in compliance with the storage integrity regulations of the Pipeline and Hazardous Materials Administration ("PHMSA"), as well as a related lateral line and associated facilities as more fully described below. One well, SW #70, is an injection/withdrawal well, while the other well, SWB #21, is a recovery well. As noted above, both wells have already been plugged for safety and integrity reasons consistent with Southern Star's operational plans in compliance with PHMSA regulations.³

While conducting spring 2019 shut-in testing, a slight leak at the surface was identified on SW #70. Due to safety concerns and previous workover issues with this well (e.g., dogleg, stuck tools), a decision was made to set a cement retainer to isolate the reservoir and fully plug and abandon the well. The decision to plug and abandon this well will not affect deliverability from

¹ See *Cities Service Gas Co.*, 4 FPC 471 (1943) (Docket No. G-298).

² See *Southern Star Central Gas Pipeline, Inc.*, 123 FERC ¶ 61,138 (2008), *rehearing granted*, *Southern Star Central Gas Pipeline, Inc.*, 124 FERC ¶ 61,141 (2008) (Docket No. CP08-4).

³ Before plugging the SW #70, Southern Star called Commission staff to advise of the need to immediately kill the well to comply with PHMSA requirements and that Southern Star would file a prior notice application to formally abandon the well and any associated facilities after the plugging was completed.

the South Welda Storage Field, as the SW #70 well is an underperforming well that delivers significantly less gas than the average withdrawal well in South Welda Field.

In May 2019, a 95% corrosion anomaly was identified in SWB #21 at 374 feet. A prudent decision was made to plug and abandon this well due to safety concerns including the high percentage of corrosion and concern that the anomaly might be a hole in the inner casing string. As this is a recovery well, the decision to plug and abandon this well does not affect deliverability from the South Welda Storage Field.

LOCATION, TYPE, SIZE, AND LENGTH OF THE FACILITIES

18 C.F.R. §157.216(c)(1)

The specific facilities to be abandoned in the South Welda Storage Field are described below. Abandonment of these facilities will have no impact on the certificated parameters of the South Welda Storage Field.

SW #70 (Lat 38.122595, Long -95.3123262) is an Injection/Withdrawal well used to inject and withdraw storage gas into/from the Colony Sandstone. This well was completed with 4.5-inch casing and operated at normal reservoir pressure. While the well has already been plugged, abandonment of the well will require the well site to be remediated by removing the wellhead and wellhead assembly, and cutting off the casing at 3 feet or more below grade and backfilling. In addition, approximately 855 feet of related 4.5-inch diameter lateral pipeline (on Southern Star's lateral Line DQ-059) will be cut and capped and abandoned in place.⁴ An associated drip on Line DQ-059 will also be removed as part of the abandonment.

SWB #21 (Lat 38.11143717, Long -95.31439837) was a gas recovery well for gas that migrated from the Colony Sandstone up to the Squirrel Sandstone. This well was completed with 2.875-inch casing and operated below normal formation pressure. The well site will need to be remediated by removing the wellhead and wellhead assembly, and cutting off the casing at 3 feet

⁴ After SW #70 was plugged, a leak was detected on the associated segment of Line DQ-059 that is proposed to be abandoned. This required Line Segments DQ-059 and DQ-058 to be temporarily shut-in to isolate the leak. This shut-in affects three injection/withdrawal wells and one domestic user. Service to the domestic user has been temporarily restored and service from the three injection/withdrawal wells will be restored once Line DQ-059 is cut and capped pursuant to the abandonment authority sought herein.

or more below grade and backfilling. There are no additional facilities to be abandoned associated with this well.

As previously explained the plugging and abandonment of the wells listed above has no impact on deliverability or any of the certificated parameters of South Welda Storage Field. The completed Well Plugging Records approved by the Kansas Corporation Commission (KCC) are attached in Appendix A.⁵

The estimated cost of replicating the two wells and associated facilities to be abandoned pursuant to this filing is approximately \$2.4 million. This cost is less than the prior notice project cost limit in Column 2 of Table 1 to Part 157 as published in 18 C.F.R. Section 157.208 (2019).

PRIOR DOCKET INFORMATION

18 C.F.R. §157.216(c)(2)

As described above, the South Welda Storage Field was part of the original interstate natural gas pipeline system operated by Cities Service Gas Company (Southern Star's predecessor) when it received its grandfathered certificate of public convenience and necessity in Docket No. G-298. *See Cities Service Gas Co.*, 4 FPC 471 (1943). However, no specific facilities within the storage field are expressly mentioned in that docket. Additional wells and pipelines within the field were authorized by order issued October 19, 1954 in Docket No. G-2542. Deliverability from the field has been adjusted by various dockets over time. The current certificated parameters of the storage field including current field boundaries, were approved and recited in Docket No. CP08-4. *See Southern Star Central Gas Pipeline, Inc.*, 123 FERC ¶ 61,138 (2008), *rehearing granted*, *Southern Star Central Gas Pipeline, Inc.*, 124 FERC ¶ 61,141 (2008) (Docket No. CP08-4).

Southern Star knows of no other applications related to the proposed abandonment of the two wells or the related lateral pipeline.

⁵ Please note that the SWB #21 well was originally completed as the Unit 1 North Hyde Well #C-3 and is so designated in the KCC's records. Accordingly, the SWB #21 well is referred to as the Unit 1 North Hyde Well #C-3 in the Well Plugging Record filed with the KCC.

CUSTOMERS' CONSENT

18 C.F.R. §157.216(c)(3)

Section 157.216(c)(3) of the Commission's regulations requires an applicant to submit a statement that all customers served during the past year by the subject facilities have consented to the proposed abandonment or an explanation of why such consent is not available. Southern Star submits that the requirement for customer consent is inapplicable under the circumstances of this prior notice application since, as discussed above, the operational capabilities of the South Welda Storage Field will not be affected by the abandonment of the two wells in question. Because the abandonment will have no effect on the certificated physical parameters of the South Welda Storage Field, there will be no effect on service to any customer of Southern Star.

COST AND ACCOUNTING TREATMENT

18 C.F.R. §157.216(c)(4)

The anticipated total cost of the Project is estimated to be approximately \$217,000, for which internally generated funds have or will be used. The accounting treatment of the abandonment is shown in Attachment 1.

ENVIRONMENTAL REPORT AND MAP

18 C.F.R. §157.216(c)(5)

Pursuant to 18 C.F.R. Section 380.4(a)(21), environmental data is generally not required to be filed for a prior notice filing under 18 C.F.R. §157.216(b). Further, Southern Star believes this abandonment in place of a minor natural gas pipeline and removal of minor surface facilities also qualifies as a categorical exclusion under 18 C.F.R. Section 380.4(a)(28) (2019). Notwithstanding the foregoing, attached as Attachment 2 is an abbreviated Environmental Report containing a concise analysis discussing the relevant issues described in 18 C.F.R. Section 380.12. Any earth disturbance associated with remediation of the wells and the pipeline abandonment is minimal and is limited to the area immediately around the wells or the associated pipe and is within the existing right-of way. Southern Star will comply with the environmental compliance conditions in 18 C.F.R. As demonstrated in the report, any environmental impacts are minimal, and the Project can be completed in an environmentally acceptable manner.

A USGS 7½ -minute-series (scale 1:24,000 or 1:25,000) topographic map (or map of equivalent or greater detail, as appropriate) showing the location of the affected facilities is included in Attachment 3.

FORM OF NOTICE AND ATTACHMENTS

A proposed notice suitable for publication in the Federal Register is included herewith.

In accordance with Section 157.216(c) of the Commission's Regulations, the following attachments are also submitted herewith:

Attachment 1	<u>Proposed Accounting Treatment of Abandonment</u>
Attachment 2	<u>Environmental Report</u>
Attachment 3	<u>Topographic Map</u>
Appendix A	<u>KCC Well Reports</u>
Attachment 2, Appendix D	<u>Affected Landowner List</u> (Privileged and Confidential) submitted separately

Copies of this Request will be sent to the Oklahoma Corporation Commission, Missouri Public Service Commission and the KCC.

PUBLIC CONVENIENCE AND NECESSITY

The two wells sought to be abandoned as described above were plugged due to immediate safety concerns identified during well integrity assessments and routine monitoring during field tests consistent with PHMSA requirements and Southern Star's operational plans. Abandonment of these wells and the related lateral line and associated facilities increases the operational integrity of the South Welda Storage Field, minimizes potential long-term liability, and eliminates the cost of maintaining facilities that no longer provide any benefit to the overall performance of the field. The abandonment does not change the total inventory, capacity, reservoir pressure, deliverability or boundaries of the storage field. The abandonment has no effect on the overall operational capabilities of the field and will not affect Southern Star's other

storage fields, operations or service, so there is no adverse effect on the storage services provided to Southern Star's storage customers.

The abandonment protects the integrity of the South Welda Storage Field, as well as Southern Star's certificated facilities and services. It safeguards the interests of the pipeline's customers, with minimal impact on affected landowners and the environment. Accordingly, the Project is in the public convenience and necessity and should be allowed to go forward.

CONCLUSION

WHEREFORE, Southern Star requests that the Commission, after giving public notice of this filing, allow Southern Star to abandon the facilities and perform the activities herein described.

Respectfully submitted,
Southern Star Central Gas Pipeline, Inc.

/s/ Cindy C. Thompson

Cindy C. Thompson
Manager, Regulatory

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Southern Star Central Gas Pipeline, Inc.

Docket No. CP20 -

PRIOR NOTICE OF ACTIVITY UNDER BLANKET CERTIFICATE

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Take notice that on_____, Southern Star Central Gas Pipeline, Inc. (Southern Star) filed a prior notice request pursuant to Sections 157.205 and 157.216(b) of the Federal Energy Regulatory Commission's regulations under the Natural Gas Act, and Southern Star's blanket certificate issued in Docket No. CP82-479-000, for authorization to abandon two wells and approximately 855 feet of 4.5-inch diameter lateral pipeline in Southern Star's South Welda Storage Field in Anderson County, Kansas.

Southern Star's South Welda Storage Field is located in Anderson County, Kansas. Originally developed as a gas production field in the early 1920s, the depleted gas field was converted to underground storage in 1937 as part of the original interstate natural gas pipeline system operated by Cities Service Gas Company (Southern Star's predecessor) when it received its grandfathered certificate of public convenience and necessity in 1943 under the NGA. Pursuant to this prior notice, Southern Star seeks authorization to abandon two wells in the South Welda Field that were required to be plugged in compliance with the storage integrity regulations of the Pipeline and Hazardous Materials Administration ("PHMSA"), as well as a related lateral line and associated facilities as more fully described below. One well, SW #70, is an injection/withdrawal well, while the other well, SWB #21, is a recovery well. Both wells have already been plugged for safety and integrity reasons consistent with Southern Star's operational plans in compliance with PHMSA regulations. The proposed abandonment of the two wells and approximately 855 feet of 4.5-inch diameter lateral pipeline (the "Project") will result in no elimination or reduction in service to customers. Nor will the Project have any impact on the South Welda Storage Field's certificated parameters, including total gas storage inventory, reservoir pressure, reservoir or buffer boundaries, or certificated capacity.

Any questions concerning this prior notice request should be directed to Cindy Thompson, Manager, Regulatory, Southern Star Central Gas Pipeline, Inc., 4700 Highway 56, Owensboro, Kentucky 42301, by phone at (270) 852-4655, or by email to cindy.thompson@southernstar.com.

Any person or the Commission's staff may, within 60 days after issuance of the instant notice by the Commission, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to Section 157.205 of the regulations under the NGA (18 CFR 157.205), a protest to the request. If no protest is filed within the time allowed therefore, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not

withdrawn within 30 days after the allowed time for filing a protest, the instant request shall be treated as an application for authorization pursuant to Section 7 of the NGA.

Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such motions or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of comments, protests and interventions in lieu of paper using the “eFiling” link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 5 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, DC. There is an “eSubscription” link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 pm Eastern Time on (insert date).

Kimberly D. Bose,
Secretary.

ATTACHMENT 1

PROPOSED ACCOUNTING TREATMENT

OF ABANDONMENT

VOLUME I

PUBLIC

Southern Star Central Gas Pipeline, Inc.

Proposed Accounting Treatment

Job: R61799

Description: Plug South Welda Well 70 and SWB-21

To Change Appropriate Utility Plant Accounts
With Original Cost of Property Retired

108	Retirement Work In Progress	\$	48,766	
101 35201001	WELLS		\$	48,759
101 35701001	OTHER EQUIP		\$	7

To Record Removal Cost and Salvage

108	Retirement Work in Progress	\$	60,000	
131	Salvage Proceeds	\$	-	
131	Removal Costs		\$	60,000
				-

To Transfer Balances in Retirement Work In Progress to
Accumulated Provision for Depreciation of Gas Plant in Service

108	Accumulated Provision for Depreciation of Gas Plant in Service	\$	108,766	
108	Retirement Work in Progress		\$	108,766

**This project has not been closed and additional costs and/or salvage may be incurred.

Southern Star Central Gas Pipeline, Inc.

Proposed Accounting Treatment

Job: R62244

Description: ABANDON 855 FT OF LINE DQ-059 (SOUTH WELDA STORAGE) IN ANDERSON COUNTY, KANSAS

To Change Appropriate Utility Plant Accounts
With Original Cost of Property Retired

108	Retirement Work In Progress	\$	8,265	
101 35301001	FIELD LINES		\$	8,265

To Record Removal Cost and Salvage

108	Retirement Work in Progress	\$	100,000	
131	Salvage Proceeds	\$	-	
131	Removal Costs		\$	100,000

To Transfer Balances in Retirement Work In Progress to
Accumulated Provision for Depreciation of Gas Plant in Service

108	Accumulated Provision for Depreciation of Gas Plant in Service	\$	108,265	
108	Retirement Work in Progress		\$	108,265

**This project has not been closed and additional costs and/or salvage may be incurred.