

152 FERC ¶ 61,147
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

August 24, 2015

In Reply Refer To:
Noble Midstream Services, LLC
Docket No. OR15-31-000

Bracewell & Giuliani L.L.P.
2000 K Street, NW, Suite 500
Washington, DC 20006-1872

Attention: D. Kirk Morgan II

Dear Mr. Morgan:

1. On July 23, 2015, Noble Midstream Services, LLC (Noble Midstream)¹ filed a request for temporary waiver of the tariff filing and reporting requirements of sections 6 and 20 of the Interstate Commerce Act (ICA) and parts 341 and 357 of the Commission's regulations for its East Pony System.² Noble Midstream requests expedited review by August 24, 2015. For the reasons discussed below, the Commission grants Noble Midstream's waiver request.

¹ Noble Midstream owns and operates oil and gas gathering systems in the Denver-Julesberg Basin, including the newly constructed East Pony oil gathering system (East Pony System), and is an independent producer of crude oil and natural gas.

² See 49 U.S.C. App. §§ 6, 20 (1988). Section 6 requires interstate oil pipelines to file all rates, fares, and charges for transportation on their systems, as well as to file copies of contracts with other common carriers for any such traffic. Section 20 authorizes the Commission to require annual or special reports from carriers subject to the ICA. See also 18 C.F.R. pts. 341 and 357 (2014) (implementing the filing and reporting requirements of ICA sections 6 and 20).

2. Constructed in 2014, the East Pony System was acquired from Noble Energy, Inc. (Noble Energy) by Noble Midstream in January 2015 and is approximately 15 miles of pipeline that gathers oil from the Noble Energy-owned production facilities in the region and transports the oil to the East Pony Oil Processing Facility, also owned by Noble Midstream. From the East Pony Oil Processing Facility, oil is either delivered to a connection with the WOT Extension Line or Tallgrass Energy's Pony Express North East Colorado Lateral. Noble Midstream explains that it may construct oil processing equipment and a storage tank at the East Pony Oil Processing Facility location in the future. Noble Midstream explains that its affiliate, Noble Energy, will own and have title to 100 percent of the oil transported on the East Pony System.

3. The criteria to qualify for a temporary waiver of the filing and reporting requirements of the Commission's regulations and sections 6 and 20 of the ICA are as follows.³ First, the pipeline requesting a temporary waiver (or its affiliates) must own 100 percent of the throughput on the line. Second, there should be no demonstrated third-party interest in gaining access to or shipping upon the line. Third, there should be no likelihood such third-party interest will materialize. Fourth, there is no opposition to granting the waivers.

4. Noble Midstream explains that the East Pony System was designed to meet the production needs of Noble Energy, and Noble Midstream will operate the system as such. Noble Midstream represents that its affiliate will be the sole shipper on the East Pony System, will own and have title to 100 percent of the oil transported, and that no third-party shipper has requested transportation on the system. Since the only origin points on the East Pony System are owned and operated for Noble Energy-owned production, Noble Midstream does not believe any future request for service on the system will materialize.

5. Public notice of Noble Midstream's filing was issued July 30, 2015, with interventions and protests due on August 6, 2015. Pursuant to Rule 214 of the Commission's regulations,⁴ all timely filed motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. The waiver request is unopposed.

³ See *Whiting Oil and Gas Corp.*, 131 FERC ¶ 61,263 (2010); *Cimarron Gathering, L.P.*, 126 FERC ¶ 61,017 (2009); *Enbridge Pipelines (NE Texas Liquids) L.P.*, 117 FERC ¶ 61,046 (2006); *Enbridge Pipelines (NE Texas Liquids) L.P.*, 110 FERC ¶ 61,159 (2005); *Ciniza Pipe Line Inc.*, 73 FERC ¶ 61,377 (1995); *Hunt Refining Co.*, 70 FERC ¶ 61,035 (1995); *Sinclair*, 4 FERC ¶ 62,026 (1978).

⁴ 18 C.F.R. § 385.214 (2015).

6. Based on the representations provided in the request for waiver, the Commission concludes that Noble Midstream meets the criteria to receive a temporary waiver, consistent with the Commission's prior rulings.

7. Accordingly, the Commission grants Noble Midstream's request for temporary ICA waiver, as to the East Pony System. Since the current waiver is temporary, and based solely on the facts presented by Noble Midstream in its waiver request, the Commission directs Noble Midstream to continue to report to the Commission any change in the circumstances on which these waivers are based. Specifically, Noble Midstream must report any change including, but not limited to, increased accessibility of other pipelines or refiners to its facilities, changes in the ownership of the facilities, changes in the ownership of the crude oil being shipped, and shipment tenders of requests for service by any person. Additionally, Noble Midstream must maintain all books and records for service by any person and in a manner consistent with the Uniform System of Accounts for Oil Pipelines, 18 C.F.R. part 352. Noble Midstream must make such books and records available to the Commission or its duly authorized agents upon request.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.