

152 FERC ¶ 61,148
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

August 24, 2015

In Reply Refer To:
Noble Energy, Inc.
Docket No. OR15-32-000

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 Energy, Inc., (Noble Energy) 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 Crow Creek Gathering System.¹ Noble Energy requests expedited review by August 24, 2015. For the reasons discussed below, the Commission grants Noble Energy's waiver request.

2. Noble Energy explains that it is an independent producer of crude oil and natural gas, with leased capacity on four different pipeline systems. Noble Energy states that its leased capacity will operate as a single, integrated gathering system (Crow Creek Gathering System). Noble explains that it will use the Crow Creek Gathering System to transport oil from the Briggsdale Oil Polishing/Unload Facility, the Wells Ranch Oil

¹ 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).

Processing Facility, the East Pony Oil Processing Facility, and all other production facilities (Origin Facilities) to meet the production needs of Noble Energy.

3. Noble Energy describes the Crow Creek Gathering System as follows:

A. *WOT Line*. Noble Energy explains that the WOT line is a 39-mile pipeline that has the capacity to transport 85,000 barrels per day (bpd). The WOT line originates from the Briggsdale Oil Polishing/Unload Facility and the Wells Ranch Oil Processing Facility, transporting oil to storage tanks near Platteville, Colorado, for subsequent delivery of the oil to interconnections with White Cliffs Pipeline or the Tampa Line. Noble Energy leases 100 percent of the capacity on this line from Wattenberg Holding, LLC (Wattenberg).

B. *WOT Extension Line*. Noble Energy states that the WOT Extension Line has the capability of transporting up to 50,000 bpd from the East Pony Oil Processing Facility to the only delivery point on the line, the Briggsdale Oil Polishing/Unload Facility. Noble Energy leases 100 percent of the capacity from Wattenberg on the approximately 38-mile pipeline.

C. *Tampa Line*. Noble Energy explains that the Tampa Line transports oil from either storage near Platteville, Colorado or the Oscar Gathering System to the only delivery point on the line, the Plains Tampa Rail Facility. The Tampa Line is approximately 12 miles long and has a capacity of up to 34,000 bpd. Noble Energy leases 100 percent of the capacity on the Tampa Line from Rose Rock Midstream Crude, LP.

D. *Oscar Gathering System*. Noble Energy describes the Oscar Gathering System as having the capability to gather up to 3,000 bpd and transport oil from the Noble Energy production facilities to a mid-point on the Tampa Line. Noble Energy explains that the Oscar Gathering System is approximately 3.5 miles long, and that it may extend this system to connect additional Noble Energy oil production facilities. Noble Energy leases 100 percent of the capacity from Rose Rock Midstream Crude, LP.

4. Noble Energy explains that it previously sought a waiver request for its Crow Creek Gathering System² in Docket No. OR15-2-000, but the Commission denied Noble

² Noble Energy explains that its application in Docket No. OR15-2-000 referenced an Interim System, as a component of the Crow Creek Gathering System. Noble Energy states that the Interim System is now known as the East Pony System, and was transferred from Noble Energy to its wholly-owned subsidiary, Noble Midstream

Energy's request because Noble Energy had not "demonstrated unambiguously that it will own 100 percent of the production to be transported on the Crow Creek Gathering System."³ Noble Energy explains that it has since acquired title to 100 percent of the throughput on the Crow Creek Gathering System, taking title at the wellhead to all oil transported, and has also revised its Marketing Election Letters accordingly.⁴

5. Public notice of Noble Energy'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,⁵ 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.

6. 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.⁶ 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.

7. Noble Energy explains that all the Origin facilities are owned and operated for Noble Energy-owned production. Further, Noble Energy states that it will unambiguously own and have title to 100 percent of the throughput on the Crow Creek Gathering System. Noble Energy explains it will be the sole shipper on the Crow Creek

Services, in January 2015, and thus the East Pony System is no longer part of the Crow Creek Gathering System.

³ *Noble Energy, Inc.*, 150 FERC ¶ 61,073 (2015).

⁴ Noble explains that prior to taking title to 100 percent, it would have only had title to approximately 80 percent of the oil transported on the Crow Creek Gathering System.

⁵ 18 C.F.R. § 385.214 (2015).

⁶ 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).

Gathering System. Noble Energy states that no third-party shipper has requested transportation on the Crow Creek Gathering System and since the only origin points are owned and operated for Noble Energy-owned production, Noble Energy does not anticipate a third-party request will materialize.

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

9. Accordingly, the Commission grants and Noble Energy's request for temporary ICA waiver, as to the Crow Creek Gathering System. Since the current waiver is temporary, and based solely on the facts presented by Noble Energy in its request for waiver, the Commission directs Noble to continue to report to the Commission any change in the circumstances on which these waivers are based. Specifically, Noble Energy 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 Energy 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 Energy 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.