

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
SAMSON RESOURCES COMPANY for authority)
to construct and operate the Alpena LP Pipeline)
Extension Phase II in Alpena County.)
_____)

Case No. U-14363

At the December 21, 2004 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. J. Peter Lark, Chair
Hon. Robert B. Nelson, Commissioner
Hon. Laura Chappelle, Commissioner

ORDER

On November 24, 2004, Samson Resources Company (Samson) filed an application, pursuant to the provisions of 1929 PA 9, as amended, MCL 483.101 et seq., requesting authority to construct and operate the Alpena LP Pipeline Extension Phase II . The Alpena LP Pipeline Extension Phase II will consist of one treated and one untreated pipeline in a single right-of-way (ROW), each pipeline approximately 2.5 miles in length. The two pipelines will enable Samson to deliver pipeline-quality natural gas from the proposed Mackinaw Unit #2 central processing facility (CPF) to both Samson’s Treasure Island CPF and its existing Alpena LP transmission pipeline. Samson also will be able to deliver untreated gas from its Gehrke-Seguín-Nicholson Hill Unit #1 CPF (Gehrke CPF) and also its Treasure Island CPF to the company’s carbon dioxide (CO₂) plant located at its Treasure Island CPF and to the company’s proposed CO₂ plant at its

proposed Mackinaw Unit #2 CPF. The gas in the treated pipeline will have its CO₂ and moisture removed to meet transmission pipeline specifications.

The treated pipeline will consist of 0.38 miles of 6-inch and 2.12 miles of 12-inch polyethylene pipe, and the untreated pipeline will consist of 0.38 miles of 6-inch and 2.12 miles of 10-inch polyethylene pipe. Both pipelines will share the same ROW corridor commencing at the proposed Mackinaw Unit #2 CPF located in the NW/4 of Section 36, T30N, R7E, Wilson Township, and then extending southerly to an interconnection with the existing Alpena LP Pipeline Extension Phase I located in the SE/4 of Section 2, T29N, R7E, Ossineke Township, all located in Alpena County. The untreated pipeline will commence at the Gehrke CPF, and then extend to the Treasure Island CPF located in the NE/4 of Section 30, T29N, R8E, Sanborn Township, Alpena County. The Alpena LP Pipeline Extension Phase II will be used to efficiently transport natural gas to market by way of the existing gas transmission system.

Attached to the application are engineering specifications covering the construction, testing, and operation of the pipelines to demonstrate compliance with the Michigan Gas Safety Standards; a map showing the location of the pipelines; and an environmental assessment. The maximum allowable operating pressure of the pipelines is 100 pounds per square inch gauge and the cost of the pipeline is approximately \$407,000. After reviewing the application and its exhibits, the Commission finds that the pipelines will serve the public convenience and necessity, and that ex parte approval is appropriate.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1929 PA 9, as amended, MCL 483.101 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 165, as

amended, MCL 483.151 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.

b. The map, route, and type of construction of the Alpena LP Pipeline Extension Phase II should be approved.

c. The Alpena LP Pipeline Extension Phase II is practicable in that it provides an economic means of delivering natural gas to market.

d. The Alpena LP Pipeline Extension Phase II will meet the requirements of the Michigan Gas Safety Standards if constructed, tested, and operated as proposed.

e. The Alpena LP Pipeline Extension Phase II will serve the public convenience and necessity.

f. The public interest will be adequately protected without the time and expense of a public hearing.

THEREFORE, IT IS ORDERED that:

A. Samson Resources Company is authorized to construct and operate the Alpena LP Pipeline Extension Phase II in Alpena County as proposed in its application filed on November 24, 2004 and subject to the requirements of 1929 PA 9, as amended, MCL 483.101 et seq.

B. The map, route, and type of construction of the Alpena LP Pipeline Extension Phase II are approved.

C. Within 60 days after construction, Samson Resources Company shall file a completion report including pressure test data and a map of the Alpena LP Pipeline Extension Phase II as constructed.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark
Chair

(S E A L)

/s/ Robert B. Nelson
Commissioner

/s/ Laura Chappelle
Commissioner

By its action of December 21, 2004.

/s/ Mary Jo Kunkle
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Commissioner

By its action of December 21, 2004.

Its Executive Secretary