

March 1, 1971

Mr. Jack Montgomery  
Office Manager  
Clinton Oil Company  
217 North Water  
Wichita, Kansas 67202

Dear Mr. Montgomery:

This is in reply to your letter of February 15, 1971, concerning the application of 49 CFR, Part 191, Leak Reporting Requirements, to your company.

You state that you operate only in rural areas, but do not specify whether your operations include gathering, transmission or distribution of gas. Section 2(3) of the Natural Gas Pipeline Safety Act of 1968 defines transportation of gas as follows:

"Transportation of gas" means the gathering, transmission or distribution of gas by pipeline or its storage in or affecting interstate or foreign commerce; except that it shall not include the gathering of gas in those rural locations which lie outside the limits of any incorporated or unincorporated city, town, village, or any other designated residential or commercial area such as a subdivision, a business or shopping center, a community development, or any similar populated area which the Secretary may define as a nonrural area."

If you are engaged solely in gathering of gas in rural locations (as "rural location" is defined in the above quoted), you are exempt from our regulations, including our reporting requirements. However, if you are engaged in transmission or distribution of gas in such areas, you must comply with our regulations.

We hope this answers your question, and if you have further questions do not hesitate to ask.

Sincerely,

Joseph C. Caldwell  
Director  
Office of Pipeline Safety