U.S. Department of Transportation

Pipeline and Hazardous Materials Safety Administration

NOV 2 7 2017

Mr. Ronnie Speer Principal DOT Compliance Statoil Oil and Gas LP 6300 Bridge Point Parkway Austin, TX 78730

Dear Mr. Speer:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA) dated May 31, 2016, you requested an interpretation of 49 CFR Part 195. You stated that Statoil is currently operating a crude oil gathering system in the Bakken area of North Dakota. You asked whether Statoil's Trenton Oil Tank T-1 (Tank T-1) and Alexander Oil Tank T-310 (Tank T-30) would be considered breakout tanks under the 49 CFR Part 195 requirements.

You stated Tank T-1 is a vertical crude oil tank with a width of 78 feet, a height of 48 feet, and a normal capacity of 37,447 barrels. You stated, under normal operation, Tank T-1 receives crude oil from an 8-inch pipeline, and that a 4-inch gathering line ("48 Jackson") ties into the 8-inch pipeline before it enters Tank T-1. You stated that custody transfer takes place on site at the Trenton Oil facility. You stated that there are two stations for trucks to unload into Tank T-1. You stated that when the 8-inch pipeline leaves Tank T-1 it becomes a regulated pipeline.

You stated Tank T-310 is a vertical crude oil tank with a width of 78 feet, a height of 48 feet, and a normal capacity of 37,447 barrels. You stated, under normal operation, Tank T-310 receives crude oil from an 8-inch gathering system from the south. You stated that crude oil from the tank then flows west into an 8-inch Missouri pipeline. You stated that there are two stations for trucks to unload into the tank. You stated that when the 8-inch pipeline leaves Tank T-310 it becomes a regulated pipeline. In addition, you provided a map of the specific areas for Tanks T-1 and T-310.

Section 195.2 defined a breakout tank as:

*Breakout tank* means a tank used to (a) relieve surges in a hazardous liquid pipeline system or (b) receive and store hazardous liquid transported by a pipeline for reinjection and continued transportation by pipeline.

The Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety provides written clarifications of the Regulations (49 CFR Parts 190-199) in the form of interpretation letters. These letters reflect the agency's current application of the regulations to the specific facts presented by the person requesting the clarification. Interpretations do not create legally-enforceable rights or obligations and are provided to help the public understand how to comply with the regulations.

1200 New Jersey Avenue SE Washington DC 20590 With regard to Tank T-1, the regulated 8-inch line is shown as bi-directional per the submitted map and is capable of receiving and/or delivering product from, or to, a regulated pipeline. With regard to Tank T-310, a portion of the South Alexander gathering line is injecting into the tank and is regulated because the pipeline goes through an unusually sensitive area. In this case, the tanks are used for injection and continued transportation of crude oil by regulated pipeline. Therefore, Tanks T-1 and T-310 meet the definition of § 195.2(b) and are regulated as breakout tanks under applicable requirements pursuant to 49 CFR Part 195. If we can be of further assistance, please contact Tewabe Asebe at 202-366-5523.

Sincerely,

John A. Gale

Director, Office of Standards and Rulemaking

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May 31, 2016

Mr. John Gale PHMSA HQ Director PHP-30 Standards & Rulemaking Division 1200 New Jersey Avenue, SE Washington, DC 20590

Ref: Statoil Oil & Gas LP Trenton Oil Tank T-1 / Alexander Oil Tank T-310

Dear Mr. Gale:

Statoil is currently operating a crude oil gathering system in the Bakken area of North Dakota. We are looking for an opinion/interpretation on the regulatory status of our Trenton Oil Tank T-1 and our Alexander Oil Tank T-310, more specifically, if the tanks would be considered breakout tanks or not.

## Background – Trenton Oil Tank T-1

The Trenton Oil Tank T-1 is a vertical crude oil tank with a width of 78 feet and a height of 48 feet. The normal capacity is 37,447 barrels.

Under normal operation, Trenton Oil Tank T-1 receives crude oil from the 8 inch pipeline. The 4 inch 48 Jackson gathering line ties into the 8 inch Trenton Oil pipeline prior to tank entry which then enters the Trenton Oil Tank T-1. Custody transfer takes place on site at our Trenton Oil facility. There are 2 stations for trucks to unload into the tank as well.

## Background – Alexander Oil Tank T-310

The Alexander Oil Tank T-310 is a vertical crude oil tank with a width of 78 feet and a height of 48 feet. The normal capacity is 37,447 barrels.

Under normal operation, the Alexander Oil Tank T-1 receives crude oil from the 8 inch gathering system from the south. Crude oil from the tank then flows west into the 8 inch Missouri pipeline. There are 2 stations for trucks to unload into the tank as well. The incoming gathering line is classified as non-jurisdictional and the 8 inch pipeline leaving the tank is classified as jurisdictional (fully regulated).

A map of the specific areas for each tank is attached below for your reference.

Please advise on your interpretation of the classifications of the Trenton Oil Tank T-1 and the Alexander Oil Tank T-310.

Sincerely,

Ronnie Speer Principal DOT Compliance Statoil Oil & Gas LP 6300 Bridge Point Parkway Austin, TX 78730 <u>rspee@statoil.com</u> (979) 203-4248



The Trenton Oil Tank T-1 is depicted as the green circle above. The black lines indicate non-jurisdictional gathering lines. The 4 inch black line feeding the Trenton Oil Tank is classified as non-regulated. The 8 inch line leaving the tank is classified as fully regulated.



The Alexander Oil Tank T-310 is depicted as the green circle above. The black lines indicate nonjurisdictional gathering lines. The black 8 inch line feeding the Alexander Oil Tank is classified as rural regulated (South Alexander) in the USA area, however is classified as non-regulated when it enters the Alexander Oil Tank. This line is separate from the 8 inch line leaving the tank (yellow/black). The 8 inch line leaving the Alexander Oil Tank is classified as fully regulated.