



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Avenue SE
Washington DC 20590

OCT 17 2019

Mr. Don Barkley
HSE Advisor III
Maverick
10350 Heritage Park Drive
Suite 201
Santa Fe Springs, CA 90670

Dear Mr. Barkley:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA) dated June 21, 2019, you requested an interpretation of 49 Code of Federal Regulations (CFR) Part 195. You specifically requested an interpretation regarding the applicability of § 195.0 to a Santa Fe Springs crude oil shipping pipeline (Santa Fe Springs pipeline).

You described the Santa Fe Springs pipeline as an underground and aboveground intrastate pipeline which was installed in 2014. You stated that the pipeline transports crude oil from the Santa Fe Springs tank farm and connects to the Crimson pipeline (0.44 miles) away. You stated the Crimson pipeline then transports the crude oil to a refinery within the state of California. In addition, the Santa Fe Springs pipeline has a specified minimum yield strength (SMYS) of 30,000 pounds per square inch (psi), and a maximum operating pressure of 375 psi.

You stated that you requested the California Office of the State Fire Marshal (OSFM) to determine whether the Santa Fe Springs pipeline is a low-stress, intrastate pipeline and whether it is regulated under 49 CFR Part 195. You stated that OSFM determined the pipeline is a low stress intrastate pipeline and regulated under Part 195.

You asked for PHMSA's interpretation of whether this intrastate pipeline is regulated by the Federal pipeline safety regulations since the pipeline is not "in or affecting interstate or foreign commerce" within the scope of Part 195.

PHMSA agrees with the OSFM interpretation that the Santa Fe Springs pipeline is regulated under § 195.1(a)(3) as any pipeline located in a rural or non-rural area of any diameter regardless of operating pressure. Pursuant to its authority under the Pipeline Safety Act, 49 U.S.C. chapter 601, PHMSA establishes safety standards in 49 CFR Part 195 for pipeline facilities and the transportation of hazardous liquids or carbon dioxide associated with those facilities in or affecting interstate or foreign commerce. The Pipeline Safety Act, and thereby the regulations in 49 CFR Part 195, extend to pipeline facilities, whether intrastate or interstate. *See, e.g., Five Flags Pipe Line Co. v. U.S. Dep't of Transp., No. CIV. A. 89-0119 JGP, 1992 WL 78773*

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.

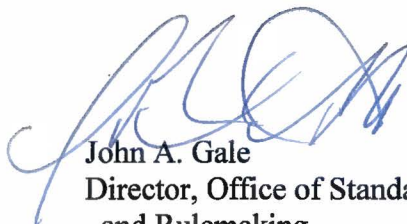
(D.D.C. Apr. 1, 1992). The Santa Fe Springs pipeline is an intrastate pipeline in or affecting interstate or foreign commerce within the scope of the Pipeline Safety Act and 49 CFR Part 195. The Santa Fe Springs pipeline transports the crude oil from the Santa Fe Springs tank farm and connects to the Crimson pipeline (0.44 miles) away. The Crimson Pipeline in turn transports the crude oil to a refinery.

Intrastate pipeline facilities are regulated by states that submit annual certification to regulate those facilities; California is one of those states. Accordingly, at a minimum, OSFM enforces the Federal hazardous liquid pipeline safety regulations for intrastate pipelines in the state of California, including the Santa Fe Springs pipeline.

Furthermore, the Santa Fe Springs pipeline, which transports crude oil, may be subject to the Clean Water Act as amended by the Oil Pollution Act of 1990 (33 U.S.C. § 1321) and an oil spill response plan may be required to be submitted to PHMSA if Maverick determines that it is likely that the worst case discharge from any point on the line section would adversely affect, within 4 hours after the initiation of the discharge, any navigable waters, public drinking water intake, or environmentally sensitive areas (§194.101(b)(2)(ii)). An operator of a pipeline for which a response plan is required may not handle, store or transport crude oil in that pipeline unless the operator has submitted a response plan meeting the requirements of 49 CFR Part 194.

If we can be of further assistance, please contact Tewabe Asebe at 202-366-5523.

Sincerely,

A handwritten signature in blue ink, appearing to read "John A. Gale", is written over the typed name and title.

John A. Gale
Director, Office of Standards
and Rulemaking

JUL 6 1 2019



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Houston • Texas • 77002
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June 21, 2019

Alan K. Mayberry, Associate Administrator PHP-1 Pipeline and Hazardous

Materials Safety Administration
1200 New Jersey Avenue SE
Washington, DC 20590

RE: Determination of Jurisdictional Status of Santa Fe Springs Crude Oil Shipping Pipeline (SFS2014)

Dear Mr. Mayberry,

In 2018, we sent the Office of the State Fire Marshal (OSFM) a letter requesting their concurrence that the SFS 2014 Pipeline is a low-stress, *intrastate* pipeline under applicable state and federal regulations and therefore not jurisdictional to the OSFM Pipeline Safety Division under the statutes and regulations governing that agency nor under the Department of Transportation/Pipeline and Hazardous Materials Safety Administration (DOT/PHMSA). OSFM responded to our letter this week indicating that they concur with our determination that this pipeline meets the low stress exception identified in California Government Code (GC), Chapter 5.5, Section 5101 0.5 (a)(3). However, they did not agree with our determination that this line is not subject 49CFR195. We have attached OSFM correspondence to this letter for your reference. Since we still believe that 49CFR195 requirements are not applicable to our pipeline because our pipeline is an intrastate pipeline and is not in nor does it affect foreign or interstate commerce, we are requesting a written opinion as to whether PHMSA is in agreement with our determination.

Background

BOLP has a short length of both underground and aboveground pipeline (0.44 mi) in Santa Fe Springs, CA which connects our main Tank Farm to Crimson's commercial pipeline on Bloomfield Avenue for the purpose of transporting crude oil to local refineries. BOLP's pipeline was installed in early 2014 (SFS2014 Pipeline).

Analysis

1. The SFS 2014 Pipeline is an intrastate pipeline and is not in nor does it affect foreign or interstate commerce and is therefore not subject to the PHMSA regulations. While the CSFM is authorized to enforce DOT/PHMSA regulations, the DOT/PHMSA regulations do not apply to the SFS 2014 Pipeline because it is strictly an intrastate line under 49 CFR § 195.1.

We understand that under the Elder California Pipeline Safety Act, CSFM is a certified agent for the DOT /PHMSA for enforcement of the DOT/PHMSA regulations of interstate hazardous liquid pipelines located within the state (49 CFR Parts 190-199. Part 195 covers crude oil lines). However, the SFS 2014 Pipeline is an intrastate pipeline that connects to the Crimson Pipeline – another intrastate pipeline – that terminates at a refinery located in Southern California. Therefore, it is our assessment that the SFS 2014 Pipeline is not an interstate pipeline subject to 49 CFR Parts 190-199.

By way of reference, 49 CFR §195.2 defines interstate pipelines as “a pipeline or that part of a pipeline that is used in the transportation of hazardous liquids or carbon dioxide in interstate or foreign commerce.”

49 U.S.Code §60101(a)(8) of the Pipeline Safety Laws defines interstate or foreign commerce as:

“(B) related to hazardous liquid, means commerce between (i) a place in a State and a place outside that State; or (ii) places in the same State through a place outside the State.”

And finally, 49 U.S.Code §60101(a)(10) of the Pipeline Safety Laws defines “intrastate hazardous liquid pipeline facility” as “a hazardous liquid pipeline facility that is not an interstate hazardous liquid pipeline facility.”

The SFS 2014 Pipeline starts at the Santa Fe Springs tank farm (in California) and connects to the Crimson Pipeline (0.44 miles away, in California) which then transfers the crude to a refinery located in California. Under our review of the applicable regulations, it is our assessment that that the SFS 2014 Pipeline is an intrastate pipeline and is not an interstate pipeline subject to 49 CFR Parts 190-199.

In light of the foregoing, we respectfully request requests an interpretive letter confirming our belief that our 2014 SFS crude shipping line is not subject requirements of Part 195.

Should more information or additional discussion be needed, please contact me (contact information attached below).

Sincerely,



Don Barkley

HSE Advisor III

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mobile: 213.905.2168

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MAVERICK NATURAL RESOURCES, LLC

(Parent of Breitbart Operating LP)

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Santa Fe Springs CA 90670



DEPARTMENT OF FORESTRY AND FIRE PROTECTION
Office of the State Fire Marshal
Pipeline Safety Division

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June 18, 2019

Tina Darjazanie
Regional EHS Manager
Breitburn Operating LP
10350 Heritage Park, Suite 201
Santa Fe Springs, California 90670

**SUBJECT: DETERMINATION OF JURISDICTIONAL STATUS OF SANTA FE
SHIPPING (SFS2014) PIPELINE (OSFM LINE ID #1357)**

Dear Ms. Darjazanie:

CAL FIRE - Office of the State Fire Marshal (OSFM) received the Breitburn Operating LP (Breitburn) letter dated July 11, 2018 (Revised August 15, 2018) regarding the jurisdictional status of the Santa Fe Shipping Pipeline (SFS2014) (OSFM Line ID#1357). This line has a total length of 0.44 mile and transports crude oil from the Breitburn Lease to the Crimson Pipeline Butler Road Line 756 (OSFM Line ID #0852) in the city of Santa Fe Springs, California. According to Breitburn, the pipeline has a diameter of 4 inches, a Specified Minimum Yield Strength (SMYS) of 30,000 psi., and a Maximum Operating Pressure of 375 psi.

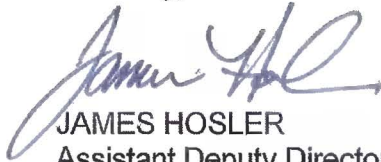
The OSFM has reviewed the information you provided regarding the SFS2014 Crude Oil pipeline and determined that this pipeline meets the low stress exception identified in California Government Code (GC), Chapter 5.5, Section 51010.5 (a)(3). Low stress pipelines operate at a stress level of 20 percent or less of the SMYS of the line pipe. Therefore, Breitburn will not be required to meet the requirements of the GC, Chapter 5.5. This determination could change in the future should operating conditions change in this pipeline or changes in applicable law occur.

The OSFM also concluded, that this line does not meet any exceptions identified in Title 49, Code of Federal Regulations (49 CFR), Part 195.1(b). This pipeline is classified as an urban gathering crude oil pipeline under 49 CFR, Part 195(a)(4)(i). Therefore, this pipeline

Tina Darjazanie
June 18, 2019
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will continue to be subject to 49 CFR, Part 195 regulations and will remain jurisdictional to the OSFM. Breitburn will also need to continue to submit the OSFM Annual Pipeline Operator questionnaire and pay the pipeline operator and mileage fees for this pipeline.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Hosler", with a stylized flourish at the end.

JAMES HOSLER
Assistant Deputy Director
Chief of Pipeline Safety and CUPA Programs

cc: Hossein Monfared, OSFM, Supervising Pipeline Safety Engineer