



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

NOV 02 2016

Anthony Rausin
Manager
Cimarron Oil LLC
9251 Brunello Ct
Bakersfield, CA 93314

Ref. No. 16-0128

Dear Mr. Rausin:

This responds to your July 26, 2016 letter requesting clarification of the Hazardous Materials Regulations (HMR; 49 CFR Parts 171-180) applicable to the definition of “offeror” as it relates to § 173.41. In your scenario, you describe a producer of crude oil that sells to a purchaser. Under contract, ownership of the oil passes to the purchaser as it flows through the valve on the (producer’s) storage tank. You note your belief that the purchaser is the “offeror” based on performance of a variety of functions including certain hazardous material pre-transportation functions, e.g., loading the crude oil from a storage tank to a transport vehicle, sampling and testing of crude oil, and preparing shipping papers. You ask, in this case and based on the reasons provided, whether the purchaser of the crude oil is the “offeror” as defined in § 171.8.

Based on the information provided, the purchaser is an offeror. However, there may be multiple offerors during transportation. As defined in § 171.8, a person who offers or offeror means any person who does either or both of the following: (1) performs, or is responsible for performing, any pre-transportation function required under this subchapter for transportation of the hazardous material in commerce; or (2) tenders or makes the hazardous material available to a carrier for transportation in commerce. Any person that is determining the hazard class of a hazardous material, selecting a packaging, filling a package, securing a closure, or marking a package to indicate that it contains a hazardous material, etc. is an offeror (see § 171.1(b)).

I trust this satisfies your inquiry. Please contact us if we can be of further assistance.

Sincerely,

Dirk Der Kinderen
Chief, Standards Development Branch
Standards and Rulemaking Division

Ciccarone
173.41
Crude oil |
16-0128

Goodall, Shante CTR (PHMSA)

From: Rivera, Jordan CTR (PHMSA)
Sent: Wednesday, July 27, 2016 5:01 PM
To: Hazmat Interps
Subject: FW: Request for Rule Interpretation
Attachments: CIMARRON OIL LLC, DOT letter.docx

Hi Shante/Alice,

Please submit this as a letter of interpretation.

Please let me know if you have any questions.

Thank you,
Jordan

From: anthony044 [<mailto:anthony044@earthlink.net>]
Sent: Wednesday, July 27, 2016 3:55 PM
To: PHMSA HM InfoCenter
Subject: Request for Rule Interpretation

Please find attached, a letter requesting a rule interpretation on CFR49 section 173.41. If you would please acknowledge receipt of this letter, I would appreciate it.

Thank you
Anthony Rausin
Manager
Cimarron Oil LLC

CIMARRON OIL LLC

9251 Brunello Ct., Bakersfield, CA. 93314

661-393-7414

U.S. DOT
PHMSA Office of Hazardous Materials Standards
Attn: PHH – 10
East Building
1200 New Jersey Ave., SE
Washington, DC 20590-0001

7/26/2016

Re: Request for Interpretation of Regulations

Cimarron Oil LLC would like to request an interpretation of 49CFR section 173.41, specifically as it relates to the definition of “offeror”.

Cimarron Oil LLC is a producer (the producer) of crude oil and sells that crude oil to Shell Trading, (the purchaser). Under my purchase contract, the title to the crude oil passes to the purchaser as the oil passes through the valve on my storage tank. It is my opinion that the purchaser is the offeror for the following reasons.

1. The purchaser is physically loading it's property, the crude oil.
2. The purchaser contracts with the carrier to transport the crude oil by truck.
3. The purchaser is paying for the transport of the crude oil.
4. The purchaser samples and tests the crude oil for gravity and water content.
5. The purchaser provides the carrier with the necessary information to prepare current hazmat paperwork.
6. The purchaser determines the destination of the crude oil.
7. The purchaser is responsible for all liability regarding the transport of the crude oil.

Based on the above conditions, I believe that the purchaser is the offeror in this case. Cimarron Oil LLC currently has absolutely no duties or responsibilities concerning transportation of the crude oil. The purchaser is offering the crude oil for transportation and is performing all of the pre transportation functions necessary to transport the crude oil.

In conclusion, Cimarron Oil LLC believes that Shell Trading is the offeror in this case as it relates to 49CFR section 173.41. If you would please give me an interpretation regarding this case, I would be grateful.

Sincerely

Anthony Rausin
Manager
Cimarron Oil LLC

E mail: anthony044@earthlink.net

P.S. I you would acknowledge receipt of this letter, I would appreciate it.