

PI-74-0126

Jul 18 1974

Mr. T. W. Kidd
Gulf Oil Company - U.S.
Production Department
Oklahoma City District
600 Oklahoma Mortgage Building
Oklahoma City, OK 73102

Dear Mr. Kidd:

This responds to your letter of April 11, 1974, regarding the reporting of pipelines on Department of Transportation Form DOT F 7100.2-1 and your conversations by telephone with Mrs. Painter and Mr. DeLeon of our office.

Your letter indicates that in the State of Oklahoma, the lines involved serve several Gulf leases in a non-rural area. Low pressure residue gas (8-12 psig) is purchased from Phillips Petroleum Company. Custody of the gas is taken at Gulf lease line connections and is delivered through Gulf owned short segments of line to pumping unit prime movers and oil treating heaters on the lease. Your letter further indicates that similar conditions exist in Kansas.

The advice given to you by Mr. DeLeon was based on gas moving in pipelines within a production facility used solely in the production of gas by the person producing the gas. These pipelines are not subject to the regulations. The situation which your letter describes is that of gas being transported to the Gulf lease by another person. Those lines belonging to the other person are subject to the reporting requirements down to the downstream end of the meter, or your piping, since those lines are service lines which are transporting gas from a common source of supply to a customer meter or a customer's piping.

The pipelines on the downstream side of the meter, or the point where Gulf takes custody of the gas, going to your pumping unit prime-mover are not subject to the reporting requirements or the Federal gas pipeline safety standards, since they are not service lines as currently defined.

I trust that this has responded to your particular question. If we can be of further assistance, please let us know.

Sincerely,

Joseph C. Caldwell
Director
Office of Pipeline Safety

Gulf Oil Company - U.S.

April 11, 1974

CERTIFIED MAIL

Mr. Edward F. Cygan
Department of Transportation
Office of Pipeline Safety
Washington, D.C. 20590

Gentlemen:

We have been requested by our Houston office to furnish you the attached duplicate copies of Department of Transportation Form DOT F 7100.2-1 Annual Report for Calendar Year 1973 covering operations in the States of Kansas and Oklahoma. Duplicated on each letter of transmittal is a copy of the Certified Mail receipt stamped by Margaret V. Cooper acknowledging receipt of the report.

During a conversation between Mrs. F.I. Pointer and Mr. Cesar DeLeon of your office and Mr. R.O. Bobo regarding the reports, the question arose whether the lines were actually subject to the reporting requirements contained in Part 191 of Title 49 of the Code of Federal Regulations.

Confirming this discussion, in the State of Oklahoma, the lines involved serve several Gulf leases in a non-rural area. Low pressure residue gas (8-12 psig) is purchased from Phillips Petroleum Company. Custody of the gas is taken at Gulf lease line connections and is delivered through Gulf owned short segments of line to pumping unit prime movers and oil treating heaters on the lease.

In the State of Kansas, similar conditions exist. The low pressure fuel lines reported serve several Gulf leases in a non-rural area. Low pressure gas is purchased from Gas Service Company and delivered through Gulf owned short segments of line to operate lease equipment.

Based on this information, Mr. DeLeon advised that future filing of reports for these lines would not be required. For

record purposes, we would appreciate confirmation of this decision.

Please advise if we may be of further assistance to you in this matter.

Yours very truly,

T.W. Kidd