

Mr. Ted Russell
Area Production Engineer
Union Oil Company of California
730 Executive Plaza East
4615 Southwest Freeway
Houston, Texas 77027

Dear Mr. Russell:

We were recently asked to respond to your letter of August 11, 1978, to Mr. Robert F. Aubry, Chief, Southwest Region, asking whether a 6 5/8 inch pipeline running between EHI platforms "A" and "B" is subject to 49 CFR Part 192.

Since the pipeline lies downstream from platform "b"; which is a production facility where produced hydrocarbons are first separated, dehydrated, or otherwise processed, then in accordance with Section 192.1, the pipeline is subject to Part 192.

Sincerely,

/signed/

Cesar DeLeon
Associate Director for
Pipeline Safety Regulation
Materials Transportation Bureau

Department of Transportation
Office of Pipeline Safety
6622 Hornwood Drive
Houston, Texas 77074

Attention: Mr. Robert F. Aubry

Re: 6-5/8" Pipeline between East High Island Block A-334 "A" and "B" Platforms.

Gentlemen:

Discussed in our telephone conversation of July 19, 1978, Union Oil Company of California requests your interpretation of the Department of Transportation Title 49 CFR 192, for natural gas pipelines.

Union Oil Company of California sent its application for the installation of the subject platform connecting pipeline to the United States Geological Survey on April 14, 1978. (Attachment I - Letter from Union;s Mr. Chris Landeck to USGS' Mr. J.B.Lowenhaupt.) Approval for the pipeline was received by letter dated May 10, 1978 from Mr. Lowenhaupt to Mr. Landeck. (Attachment II) The last sentence of the first paragraph on page 2 of this letter states that "This approval is conditioned on the pipeline being designed, constructed, operated, and maintained in compliance with the Department of Transportation regulations 49 CFR 192."

Union Oil Company of California does not believe that this pipeline should be under the jurisdiction of the Department of Transportation as stated in the above referenced letter, but feels that it should fall under the jurisdiction of the Department of the Interior. As found in Title 49 CFR Part 192 - Subpart A-192.1 (b) "This part does not apply to -- (1) Offshore gathering of gas upstream from the outlet flange of each facility on the outer continental shelf where ... produced hydrocarbons are first separated, dehydrated, or otherwise processed, whichever facility is farther downstream."

the following is a brief description of the facility flow pattern indicating the type of service in which the pipeline will be utilized: (See attachment III for the facility flow pattern.

EHI A-334 "b" Platform has three (3) gas well completions, which are expected to produce between 15 and 20 million cubic feet of gas and 30 to 40 barrels of condensate per day. The EHI A-334 "a" Platform has thirteen (13) gas well completions, which are presently producing 67 million cubic feet of gas and 180 barrels of condensate per day.

The "B" platform has handling equipment is composed of a production separator, with a capacity of 30 MMCF of gas and 300 barrels of condensate per day, and a test separator, with a capacity of 15 MMCF of gas and 150 barrels of condensate per day. Union Oil

Company elected to equip this platform with both a production and test separator instead of just a test separator in order to maximize production from the platform. (If Union had decided to install just the test separator, two (2) of the three (3) completions would have had to be shut-in during the testing period of the remaining completion.) As can be seen on Attachment III only the condensate is recombined with the gas and sent to the "A" platform, any free water is separated and disposed of at the "B" platform. Union feels that this will help prevent any possible corrosion in the pipeline connecting the two platforms.

The "A" platform gas handling equipment is composed of a complete process facility, including dehydration equipment for the gas and conditioning equipment for the condensate. The capacity of the facility is 120 MMCF of gas and 1200 barrels of condensate per day.

The 6-5/8" pipeline connecting these two platforms was designed to transport this 15-20 MMCF/D of gas and related condensate from the "B" platform wells to the "A" platform to be combined with the full well stream from the "A" platform wells. All of the production would then be routed through the entire production facility on the "A" platform. At the end of the process flow pattern the dehydrated gas is metered and recombined with the metered condensate, before leaving the platform via the High Island Offshore System pipeline.

Based in the above information, as stated earlier, Union Oil Company of California is of the opinion that this 6-5/8" pipeline should not be under the jurisdiction of the Department of Transportation, but should be constructed, maintained, and operated in accordance to the requirements of the Department of the Interior.

The Department of the Interior's Mr. Doug McIntosh, in a telephone conversation on July 19, 1978, stated that his department would abide by the interpretation of the Department of Transportation on this matter. Therefore, Union Oil Company of California would like your interpretation and/or opinion of this jurisdictional question.

Union Oil company of California would appreciate your help and consideration on this matter.

Very truly yours,
UNION OIL COMPANY OF CALIFORNIA
Ted Russell, Area Production

NOTE: ATTACHMENT
Engineer

