

PI-83-0104

April 13, 1983

Mr. William J. Lasley

Flanigan & McCause

400 Grant

Carthage, Missouri 64836

Dear Mr. Lasley:

This refers to your letter of March 18, 1983, in which you ask several question about a 1978 accident involving an oil pipeline owned by the Shell Pipeline Corporation. Your letter was referred to us by the Federal Railroad Administration.

First, you asked whether the pipeline company has a duty to test the pipe. The applicable regulations for interstate oil pipelines in effect at the time of the accident (49 CFR Part 195) require that after March 31, 1970, new, relocated, or replaced pipe be hydrostatically tested (§§195.300 and 195.401(c)). However, this requirement may not apply to the pipe involved in the accident because the accident report indicates the pipeline was constructed circa 1920.

In 1978, electrical tests for purposes of corrosion control were mandatory under §§195.414 and 195.416. The accident report states that the pipeline was cathodically protected, in which case annual testing was required by §195.416(a) and a record of the testing must be kept under §195.404(b)(2).

In regard to observations for leaks, under §195.412 pipeline operators were required to inspect rights-of-way every 2 weeks and under §195.404(b)(2) a record must be kept of the inspections.

There has never been a specific requirement in Part 195 that operators notify land owner in the event of an accident. However, since July 1980, §195.440 requires that operators have a continuing public educational program to facilitate prompt response to pipeline emergencies and under §195.402(e) (7) operators must notify public officials of emergencies on their systems. These rules and related requirements expanded more general rules relating to operating procedures in normal, abnormal, and emergency situations that were in effect in 1978 under §195.402(a) (See Amendment 195-15; 44 FR 41197, July 16, 1979). You should review the operator's procedures established in conformance with §195.402(a) in 1978 for specifics about the steps to be taken in response to an accident.

The report you have sent to us is the only report that was required by this agency for the Shell pipeline accident. We do not know of any other laws that would have required submission of information about the accident.

I trust this response is helpful to you.

Sincerely,

Original Sign By

Richard L. Beam

Associate Director for

Pipeline Safety Regulation

Materials Transportation Bureau

March 29, 1983

Mr. William J. Lasley
Law Offices, Flanigan & McCause
400 Grant
Carthage, Missouri 64836

Dear Mr. Lasley:

Thank you for your recent letter with attachments concerning a pipeline oil leak near Sarcoxie, Missouri on October 12, 1978.

The Department of Transportation's responsibility for regulation of pipeline safety has been transferred from the Federal Railroad Administration to the Research and Special Programs Administration. We have forwarded your correspondence to them and asked that you receive a prompt reply.

Sincerely,
J. W. Walsh
Associate Administrator for Safety

Flanigan & McCanse
400 Grant
Carthage, Missouri 64836

March 18, 1983

Administrator
Federal Railroad Administration
Department of Transportation
Washington, DC 20591

Re: Sanders v. Shell Pipeline Corporation

Dear Sir or Madam:

I represent a farmer in Southwest Missouri who has a claim against Shell Pipeline Corporation on account of an oil spill resulting from a leak in a pipeline running through the farmer's property. I have a copy of a two page document which Shell evidently sent you on October 26, 1978. I am enclosing herein a copy of that Pipeline Carrier Accident Report as well as a copy of Damage and Oil Loss Report Long Form prepared by Shell Pipeline Corporation.

I am not very well versed in the administrative procedures involved when there is a leak in an oil pipeline and am writing you to inquire about the pipeline company's duties in such a situation, i.e. duties to test the pipe or take reasonable precautions to observe leaks and duties to the land owner when an accident occurs--as well as the pipeline's responsibility to report the information to various governmental agencies. I was also wondering if you had any other reports which were filed in connection with this particular accident or if you know of any laws or regulations which would require the pipeline company to submit information on this pipeline or this leak to other governmental agencies.

I would appreciate it if you could call me collect to discuss this matter.

Sincerely,
FLANIGAN, MCCANSE & LASLEY
William J. Lasley