

PI-01-0112

U.S. Department of Transportation
Research and Special Programs Administration
400 Seventh St., S.W.
Washington, D.C. 20590

June 14, 2001

Mr. T. S. Brooks
Exxon Mobil Production Company
U.S. East
P.O. Box 61707
New Orleans, LA 70161-1707

Dear Mr. Brooks:

In your letter of March 23, 2001, you requested an interpretation of safety jurisdiction for pipelines carrying natural gas and petroleum-based hazardous liquids between production platforms located entirely on the Outer Continental Shelf (OCS) in the Gulf of Mexico. You noted that they are regulated by the Department of the Interior's Minerals Management Service (MMS) as production facilities. These pipelines are supplied from a shore-based facility to the first platform on the OCS through pipelines that are regulated by the Office of Pipeline Safety (OPS) under provisions of 49 CFR Parts 192 and 195.

We agree that pipelines between production platforms on the OCS are exempt from the pipeline safety jurisdiction of OPS. The pipeline safety regulations at 49 CFR §§ 192.2(b)(5) and 195.1(b)(6) exempt pipelines located on the OCS upstream of the point where operating responsibility transfers from a producing operator to a transporting operator.

If you need further assistance, please call me at (202) 366-4565.

Sincerely yours,
Richard D. Hurliaux, P.E.
Manager, Regulations
Office of Pipeline Safety

ExxonMobil Production Company
U.S. East
P.O. Box 61707
New Orleans, Louisiana 70161-1707

March 23, 2001

Pipeline Jurisdiction Determinations
Gulf of Mexico, Mobile Area
Offshore Alabama

Mr. Richard Huriaux
Director T&R (rm#2325,DPS-10)
US DOT - RSPA
400 Seventh Street, SW
Washington, DC 20590

Dear Mr. Huriaux,

ExxonMobil Production Company herein requests your opinion concerning the jurisdiction of pipelines transporting natural gas and oil-based liquids to be used for corrosion inhibition that are located between platforms entirely on the OCS. These pipelines are producer-operated, and would normally be regulated by the MMS, and not the DOT, according to the Direct Final Rule issued by the DOT on November 11, 1997 (62 FR 61692). However, the natural gas and oil-based fluids that these pipelines transport are delivered to the OCS from a shore based facility through DOT-jurisdictional pipelines.

As shown on the attached schematic, the DOT-jurisdictional gas pipeline originates onshore at a gas treating facility and transports "sweet" gas for fuel usage, and terminates at a platform on the OCS. From that point, this fuel gas is then transported in separate, individual pipelines to other nearby facilities. Likewise, the DOT jurisdictional liquid pipeline originates at the onshore treating facility and terminates at the OCS platform. Then, the liquids are transported via individual pipelines to nearby facilities located entirely on the OCS where it is used for corrosion inhibition. It is our opinion that only the pipeline(s) that transport the natural gas / oil-based fluids from the shore to the first OCS platform are regulated by the DOT, and that any subsequent pipelines between OCS platforms downstream of that point are "producer operated" and are properly regulated by the MMS as OCS pipelines. However, since neither the MMS's nor the DOT's rules were written with this specific situation in mind, we ask for your concurrence with our interpretation.

Currently, the MMS pipeline records indicate that these pipelines are under the jurisdiction of the MMS. Furthermore, representatives with the DOT, Office of Pipeline Safety Atlanta Regional Office, have indicated that they are basically in agreement with our interpretation. However, they have recommended that an official determination be made by your office. Please be advised that these pipelines are not regulated by the Federal Energy Regulatory Commission (FERC).

Please contact Mr. Steve Ledet at (504) 561-4824 if you have any questions or require any additional information in this matter.

Sincerely,
T.S. Brooks
EXXON MOBIL CORPORATION