

PI-04-0107

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

April 20, 2004

Mr. George Williamson
Onshore United States Business Unit
DOT Regulatory Compliance Manager
BP America Production Company
501 Westlake Park Blvd.
Office 2.366
Houston, TX 77079

Dear Mr. Williamson:

This is in response to your letter of March 31, 2004, in which you request an interpretation of the gas pipeline safety regulations at 49 CFR 195.1, *Applicability*. You ask whether a 2 to 3.5 inch diameter pipeline transporting petroleum from a production facility to a refinery in a rural area is a gathering line that is excepted by § 195.1(b)(4) from compliance with the pipeline safety regulations of Part 195.

Section 195.1(b)(4) specifies that Part 195 does not apply to "transportation of petroleum in onshore gathering lines in rural areas . . ." *Gathering line* is defined in § 195.2 as a pipeline less than 8 5/8 inches outside diameter that transports petroleum from a *production facility*. The same section defines *Production facility* as piping used in the production, extraction, recovery, lifting, stabilization, separation, or treating of petroleum.

Based on your representation that the pipeline in a rural area near Evanston, Wyoming, is less than 8 5/8 inches outside diameter and transports petroleum directly from a production facility, it appears that the pipeline meets the requirements of § 195.1(b)(4). Therefore, it is not subject to safety regulation under Part 195.

However, a final determination of the regulatory status of your pipeline can only be made pursuant to inspection by the Office of Pipeline Safety. If you have questions about inspection procedures, please contact the Office of Pipeline Safety's Western Region office in Lakewood, CO at 303-231-5701.

If you have any further questions about the pipeline safety regulations, please contact me at (202) 366-4565.

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

George Williamson
Onshore United States Business Unit
DOT Regulatory Compliance Manager

BP American Production Company
501 Westlake Park Blvd
Houston, TX 77079

March 31, 2004

Office of Pipeline Safety (DPS-10)
Research and Special Programs Administration
U. S. Department of Transportation
400 Seventh Street, SW.
Washington, DC 20590-0001

Re: Request for Interpretation

Dear Sir or Madam:

We are requesting a written interpretation on the applicability of 49 CFR Part 195 regulations to our Painter Production facility condensate pipeline. We have reviewed the scope of the regulations and concluded that the condensate pipeline meets the requirements of exception criterion §195.1(b)(4). We would like to share our methodology and ask that you verify that our pipeline is not subject to the regulations in 49 CFR Part 195.

The pipeline in question transports condensate from our Painter Production Facility to the Silver Eagle Refinery near Evanston, Wyoming. The primary function of the Painter Production Facility is to separate and stabilize gas and petroleum liquids from our production wells. The pipeline is located entirely in onshore rural areas (total length approximately 8 miles). The pipeline diameter varies from 2 inches up to a maximum of 3.5 inches.

Our conclusion is based on the exemption for petroleum gathering pipelines in §195.1(b)(4) and application of three key definitions from §195.2. Section §195.1(b)(4) specifies that the regulations do not apply to transportation of petroleum in onshore gathering pipelines in rural areas. The three key definitions in §195.2 are: gathering pipeline, petroleum, and production facility (reference below).

Gathering Pipeline means a pipeline 219.1 mm (8 5/8 in) or less nominal outside diameter that transports petroleum from a production facility.

Petroleum means crude oil, condensate, natural gas, natural gas liquids, and liquefied petroleum gas.

Production Facility means piping or equipment used in the production, extraction, recovery, lifting, stabilization, separation or treating of petroleum or carbon dioxide, or associated storage or measurement. If you require additional information or would like to discuss the issue, please call me at 281-366-7843. Otherwise, please respond to us in writing at your earliest possible convenience.

Sincerely,
George C. Williamson
DOT Regulatory Compliance Manager