

Apr 22 1974

Mr. J. H. Tharp, Jr.
Division Operations Manager
Getty Oil Company
P.O. Box 5237
Bakersfield, CA 93308

Dear Mr. Tharp:

Thank you for your letter of March 29, 1974, telling us your reasons why Getty Oil Company's California operations are not subject to the Natural Gas Pipeline Safety Act of 1968 (Act) and the regulations thereunder (49 CFR Parts 191 and 192).

You state that the California operations are in two categories. First, gas which is not sold is consumed by Getty in the area of production. Except for the gathering of gas in rural areas, the regulations apply to pipeline facilities used in the transportation of gas from a production facility to an ultimate consumer. Where gas moves in pipelines within a production facility, the pipelines are not subject to the regulations. Hence, it appears that this first category of the California operation is excluded from the reporting requirements of Part 191 and the safety standards in Part 192.

The second category of operations involves gas sold at wellhead or at the tailgate of gas plants. Pipelines in this category which are operated by Getty outside the production facility for transportation of gas destined for consumers, except for gathering lines in rural areas, are subject to Parts 191 and 192. Sale of gas at a particular point would not exempt Getty from responsibility for compliance of pipeline downstream from that point unless operation of those pipelines is controlled by the purchaser and not Getty. The fact that gas which moves in pipelines operated by Getty may be consumed totally in California is not conclusive of whether or not the movement is in or affects interstate commerce. Except for gathering lines in rural areas, Congress intended the Act to have the broadest possible coverage, and almost all pipelines used in the transportation of gas are within its purview.

We appreciate your cooperation and trust that our analysis of your situation will be helpful in meeting the Federal requirements in the future.

Sincerely

Joseph C. Caldwell
Director
Office of Pipeline Safety