

9/25/96

Mr. John T. Donohue
Unocal Corporation
Oil and Gas Operations
909 West 9th Avenue
Anchorage, AK 99519-6247

Dear Mr. Donohue:

This is in response to your letter of May 21, 1996, requesting an interpretation of whether five gas pipelines located in or adjacent to Cook Inlet in Alaska are subject to 49 CFR Part 192. Your letter describes each of the five pipelines including treatment and field processing to which the gas in each line is subjected.

A gathering line is defined in § 192.3 as a pipeline that transports gas from a current production facility to a transmission line or main. A transmission line is defined (in part) as a line that transports gas from a gathering line to a distribution center or storage facility. These general definitions have often led to determination of whether a pipeline is a gathering line or a transmission line on a case-by-case basis depending on the set of circumstances for each line.

We consider that a gathering line ends and a transmission line begins at a point where the gas is ready for sale. Since the gas, when delivered to a transmission line, must be in a condition generally suitable for transportation to a distribution center or storage facility, it follows that the gathering process includes the field equipment necessary for the treatment and field processing of gas, such as a heater, dehydrator, or separator. A gathering line is considered to terminate at the point at which the gathering process is complete. A number of interpretations made over the years were based on these considerations.

With this background, we can respond to your inquiry of the jurisdiction for each of the five pipelines described by you:

Stump Lake to Ivan River pipeline - The gas in this pipeline is scrubbed and dehydrated on the Stump Lake pad, transported 6.0 miles to the Ivan River pad where it commingles with Ivan River gas and the commingled gas is scrubbed again prior to entering the ENSTAR transmission pipeline. The gas from Stump Lake is not ready for sale until after it is scrubbed subsequent to commingling with the gas from Ivan River. Therefore, the Stump Lake to Ivan River pipeline is

considered a gathering line and, since it is located in a rural area as defined in § 192.1(b)(2), the pipeline is not subject to the regulations in 49 CFR Part 192.

8" Ivan River pipeline to ENSTAR transmission pipeline - The gas in this pipeline is scrubbed and dehydrated on the Ivan River production pad. It is then transported through the 8" Ivan River pipeline and scrubbed again prior to entering the ENSTAR pipeline. The gas is "ready for sale" after it is scrubbed the second time prior to entering the ENSTAR pipeline. Therefore, the 8" Ivan River pipeline is considered a gathering line up to the outlet of the second scrubber and, since it is located in a rural area as described in § 192.1(b)(2), the pipeline is not subject to the regulations in 49 CFR Part 192.

4" Lewis River A pipeline to ENSTAR transmission pipeline - The gas in this pipeline is scrubbed and dehydrated at the production pad and is "ready for sale" at the outlet of this treatment equipment even though custody transfer, i. e., it is "sold," at the end of the line prior to entering the ENSTAR pipeline. The sale of the gas is secondary to it being of a quality for sale, i.e., "ready for sale." Therefore, the 4" Lewis River A pipeline is considered a transmission line subject to the regulations in 49 CFR Part 192.

4" Lewis River C pipeline to ENSTAR transmission pipeline - The gas in this pipeline is scrubbed at the production pad and is "ready for sale" at the outlet of the scrubbing equipment. Therefore, the 4" Lewis River C pipeline is considered a transmission line subject to the regulations in 49 CFR Part 192.

4" Pretty Creek #2 pipeline to ENSTAR transmission pipeline - The gas in this pipeline is treated identical to the gas in the 4" Lewis River A pipeline. Therefore, the 4" Pretty Creek #2 pipeline is a transmission pipeline subject to the regulations in 49 CFR Part 192.

Sincerely,

Richard D. Huriaux, P.E.
Director for Technology and Regulations
Office of Pipeline Safety

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cc: DPS-1,2,10,20,28
TSI,StateMailing