

Authority: 49 U.S.C. 2002; 49 CFR 1.53 and Appendix A of Part 1.

### § 195.3 [Amended]

8. By amending § 195.3 to remove paragraphs (c)(1)(iv) and (c)(1)(v) and by amending paragraph (c)(1)(iii) by changing "(1980)" to "(1985)."

9. By revising the introduction text of § 195.106(b) to read:

#### § 195.106 Internal Design pressure.

(b) The yield strength to be used in determining internal design pressure under paragraph (a) of this section is the specified minimum yield strength. If the specified minimum yield strength is not known, the yield strength is determined by performing all of the tensile tests of API Specification 5L on randomly selected test specimens with the following number of tests:

10. By amending § 195.106(e) to remove reference to API 5LX and API 5LS and related entries from the table of seam joint factors.

Issued in Washington, DC, on November 22, 1985 under authority delegated by 49 CFR Part 106, Appendix A.

Robert L. Paullin,  
Director, Office of Pipeline Safety.

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## 49 CFR Part 195

[Docket No. PS-85, Notice No. 1]

### Transportation of Hazardous Liquids; Gathering Lines in Rural Areas

**AGENCY:** Research and Special Programs Administration (RSPA), DOT.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Federal hazardous liquid pipeline safety standards do not apply to gathering lines in rural areas. The lack of specificity in this exception became apparent when these standards were proposed to be extended to intrastate pipelines, which include a large number of rural gathering lines. This notice proposes new definitions for the terms "production facility", "gathering line" and "rural area" to clearly identify the gathering lines that are not subject to the standards.

**DATE:** Interested persons are invited to submit written comments on this proposal by January 27, 1986. Late filed comments will be considered as far as practicable.

**ADDRESS:** Comments should identify the docket and notice numbers and be submitted in triplicate to the Dockets Branch, Research and Special Programs Administration, Department of Transportation, 400 7th Street SW., Washington, DC 20590. All comments and other docket material are available in Room 8428 for inspection and copying between the hours of 8:30 a.m. and 5:00 p.m. each working day.

**FOR FURTHER INFORMATION CONTACT:** L.M. Furrow, (202) 426-2392, regarding the content of this proposal, or the Dockets Branch (202) 426-3148, regarding copies of this proposal or other information in the docket.

#### SUPPLEMENTARY INFORMATION:

#### Background

Gathering lines in rural locations are expected from regulation by the Hazardous Liquid Pipeline Safety Act of 1979 (HLPESA) (49 U.S.C. 2001 *et seq.*), the statute under which Part 195 is issued. In Part 195 the exception for rural gathering lines is provided by § 195.1(b)(4), which states that Part 195 does not apply to "[t]ransportation of a hazardous liquid in those parts of an onshore pipeline system that are located in rural areas between a production facility and an operator trunkline reception point."

In a notice of proposed rulemaking published March 26, 1984 (49 FR 11228, Docket No. PS-80) concerning the extension of Part 195 to intrastate hazardous liquid pipelines, RSPA discussed the need to make § 195.1(b)(4) easier to apply. The problem of distinguishing a gathering line from a trunkline and rural from nonrural was recognized. Comments on this issue by the public and by members of the Technical Hazardous Liquid Pipeline Safety Standards Committee led in the final rule (Amendment 195-33; 50 FR 15895, April 23, 1985) to inclusion of flow lines as part of onshore production facilities, which are also exempt from Part 195 and the HLPESA. However, because of the diversity of views expressed by commenters and the Committee, it became clear that further rulemaking would be needed to clarify § 195.1(b)(4).

Thirty-four persons commented on the gathering line issue raised by the March 26, 1984 notice: The Railroad Commission of Texas, the Iowa State Commerce Commission, the American Petroleum Institute (API), the Pennsylvania Oil and Gas Association, the Rocky Mountain Oil and Gas Association, the Texas Mid-Continent Oil and Gas Association, the North Texas Oil and Gas Association, the

West Central Texas Oil and Gas Association, and 26 pipeline operators. The most salient comments concerning definitions for gathering line and rural or nonrural areas were as follows:

#### Gathering Line

The Railroad Commission of Texas (RRC) and the West Central Texas Oil and Gas Association proposed definitions of gathering line, production facility, and trunkline reception point as follows:

"Gathering line" means a pipeline that transport a hazardous liquid, as defined by the Pipeline Safety Act of 1979, from a current production facility to a trunkline reception point, a storage facility, or a terminal. "Production facility" means any equipment used by a producer in the production, extraction, recovery, lifting, stabilization, separation, treating, storage, or measurement of a hazardous liquid subject to this part. Wellhead assemblies, along with flow lines from them to a lease storage facility (or to the next inline production facility if there is no lease storage), are part of production facilities and are not considered to be gathering lines. "Trunkline reception point" means the point at which liquids subject to this part are received either (1) directly from a production facility, (2) from a gathering line or lines, or (3) by any other means, and at which they are injected into a cross-country common carrier or private trunkline for transportation to a more distant location. Characteristics of a trunkline may include, but are not limited to, larger diameter pipe, higher operating pressure, higher stress pipe, pump station(s) and greater pipe strength.

The API suggested the following definitions:

"Production facility" means any equipment used by a producer in the production, extraction, recovery, lifting, stabilization, separation, treating, storage, or measurement of a hazardous liquid including flow lines from wellhead assemblies to the next in-line production facility. "Production facilities" also include equipment used in sweetening and processing natural gas, pressure maintenance and secondary or tertiary recovery operations.

"Trunkline reception point" means the point or facility where hazardous liquids subject to this Part are received either from:

- (1) a gathering line system
- (2) a production, refining, or manufacturing facility, or
- (3) any other source for the continued transportation in a cross-country pipeline system.

"Gathering line" means a pipeline system used to collect hazardous liquids from production facilities and transport them to a trunkline reception point.

The Pennsylvania Oil and Gas Association focused on treatment and commingling to define a gathering line as "those pipelines that transport the oil from the point where the last treatment under the control of the producer occurs,

to the point in the pipeline where no further oil is added to the stream and no further commingling of oil takes place."

The Texas Mid-Continent Oil and Gas Association and the Rocky Mountain Oil and Gas Association defined production facility and trunkline reception point in a manner similar to the RRC but defined gathering lines in the following manner:

"Gathering Lines"—Gathering lines are pipelines used to collect hazardous liquids from production facilities and transport them to a central point or facility. Wellhead assemblies and flow lines from them to a lease storage facility or to the next inline production facility if there is a no lease storage are part of production facilities and are not considered to be gathering lines. Gathering lines may be used by producers to collect liquids from several leases and transport them to other production facilities, gas processing plants, stabilizers, etc. Gathering lines may also collect liquids from several production facilities or truck unloading facilities and transport them to a central point or facility, designated a trunkline reception point.

One industry commenter recommended that gathering lines be defined as "a system of lines, sometimes called flow lines, to transport hydrocarbon liquids from individual wells to appropriate equipment throughout the production facility and finally to a reception point on a trunk line." In a similar manner, another industry commenter recommended that a gathering line be defined as "those pipelines between the wellhead and lease storage, lease storage and trunkline reception point."

The RSPA believes that the concept of a gathering line expressed by the Railroad Commission of Texas, the West Central Texas Oil and Gas, the Pennsylvania Oil and Gas Association, the Texas Oil Mid-Continental Oil and Gas Association, the American Petroleum Institute and others as well as various members of the Technical Hazardous Liquid Pipeline Safety Standards Committee generally represents the usage of the term by RSPA in administering §195.1(b)(4). However, the recommended language does not adequately distinguish the downstream end of a gathering line at its junction with trunkline, since the commenters' proposed definitions of "gathering line" and "trunkline" each reference the other. RSPA does not believe that defining "gathering line" necessarily requires use of the term "trunkline". Therefore, the RSPA proposes to include in Part 195 a definition of "gathering line" that does not refer to trunkline. A "production facility" would mark one end of a gathering line and the point where a line joins a line exceeding 8 inches in

nominal diameter would mark the other end, under the following proposed definition:

"Gathering line" means a pipeline 8 inches or less in nominal diameter that transports petroleum from a production facility.

The RSPA is proposing this definition after considering all of the comments and the various possible means to denote a gathering line including pressure, commingling, flow rate, size, function, and various combinations of these means. The proposed definition incorporates size (8 inches or less) and function (transports petroleum from a production facility).

Size was selected in the belief that petroleum pipelines 8 inches or less in nominal diameter are generally considered by the industry to be gathering lines rather than trunklines. Petroleum pipelines of this size are generally those to which RSPA has applied the §195.1(b)(4) exclusion. Further, size has the considerable advantage of being simple and easily identified.

The function (transports petroleum from a production facility) was selected to be consistent with the current language of § 195.1(b)(4) as well as to capture the generally understood concept of a gathering line.

The proposed gathering line definition requires that the term "production facility" be defined. The RSPA proposes the following definition:

"Production facility" means piping or equipment used in the extraction, recovery, lifting, stabilization, separation or treating of petroleum or associated storage or measurement.

This definition is based on the concept that "production" is the process of extracting petroleum from the ground and preparing it for transportation by pipeline. Hence, production facilities are those facilities necessary to perform those tasks of extracting (extraction, lifting, recovery) and preparing the petroleum for transportation by pipeline (stabilization, separation, treating, storage, measurement).

It should be noted that only those facilities associated with extracting petroleum from the ground and preparing it for transportation by pipeline are "production facilities". For example, storage and measurement facilities in use at the lease site are "production facilities", but storage and measurement facilities in use in a pipeline system are not production facilities. Further, the term "production facilities" applies only to petroleum production and cannot be extended to include refinery or manufacturing facilities.

Interested persons should recognize that under the proposed gathering line definition, and proposed amendment to § 195.1(b)(4), pipelines 8 inches or less in diameter located in rural areas transporting petroleum from a production facility to for example, a refinery, would be excepted from Part 195.

Section 195.401(c)(2) would be amended to incorporate the term "gathering line" instead of "pipeline located between a production facility and an operator's trunkline reception point". No substantive change would be made to this section, which sets the date after which interstate offshore gathering lines must meet the Part 195 design and construction rules.

#### *Rural/Nonrural*

The Railroad Commission of Texas proposed that "non-rural" be defined as "an area extending 110 yards on either side of the centerline of any continuous one-mile length of pipeline which contains (1) ten (10) or more buildings used for residences; or (2) any building or outside area used for commercial or industrial purposes or for schools, churches, or other public assembly and which is occupied by twenty (20) or more people during normal use." And "rural" would encompass all areas that are not included within the "non-rural" definition.

The Pennsylvania Oil and Gas Association recommended a definition of a rural area as "those areas that have less than 46 buildings occupied by humans on a regular basis within the area that extends 220 yards on either side of the centerline of any continuous one mile length of pipeline." The Pennsylvania Oil and Gas Association argued that the recommended definition, borrowed from the Part 192 regulations for gas pipelines, fairly represents a concept of a rural area and is a standard that can be readily ascertained. On the other hand, according to this commenter, a standard which employs incorporated areas, subdivisions, etc., would include most of the state of Pennsylvania because virtually all of the state falls within the boundaries of some local government unit.

The Rocky Mountain Oil and Gas Association recommended a definition of rural area as follows: "A rural area is any area extending 110 yards on both sides of the centerline of any continuous one-mile length of pipeline which contains less than 25 buildings occupied by human beings for residential, commercial or industrial purposes, regularly used for schools, churches, or other public assemblies." This definition

is similar in population density to that offered by the Pennsylvania Oil and Gas Association but the distance from the centerline is 50 percent less.

The West Central Oil and Gas Association and the North Texas Oil and Gas Association both recommended that a non-rural area be defined as "an area where a pipeline passes within 100 feet of an inhabited building."

Some of the industry commenters recommended using the Part 192 class location criteria to define a rural area. Most popular among the industry comments, however, was that the language of § 192.1(b)(2)(i) and (ii) be used to define a non-rural area as follows: "An area within the limits of any incorporated or unincorporated city, town, or village [and] any designated residential or commercial area such as a subdivision, business or shopping center, or community development."

The RSPA believes this last recommendation, the adoption of the language in § 192.1(b)(2)(i) and (ii) to define a non-rural area, is preferable to the other recommendations because: (1) it has worked well since its adoption in the gas regulations, and (2) it is consistent with section 2(3) of the Natural Gas Pipeline Safety Act of 1968, which outlines a nonrural area. Although Part 192 language is used, a definition for "rural area" rather than "non-rural area" is proposed because the exception under § 195.1(b)(4) uses the term "rural areas."

**Advisory Committee**

A draft version of this notice of proposed rulemaking was presented to the Technical Hazardous Liquids Pipeline Safety Standards Committee for consideration at a meeting in Washington, DC on September 18, 1985. The Committee agreed with the notion of basing the proposed gathering line definition on size and function and agreed with the proposed definitions of "production facility" and "rural area". The Committee recommended, however, that the limiting size of a gathering line be "8 inches in nominal diameter," rather than "less than 8 inches" as RSPA had suggested. This recommendation was made after the industry members said that an 8-inch limit would more closely conform the proposed definition to what the industry

commonly views as gathering in contrast to trunkline. RSPA agrees and has incorporated the Committee's recommended language in the proposed gathering line definition.

The Committee was concerned about the proposed gathering line definition's effect on the few pipelines larger than 8 inches that some operators may be treating as gathering lines. The Committee recommended that in these few cases, the waiver process be used for specific relief when warranted. Under Section 203(h) the HLPESA (49 U.S.C. 2002(h)), any operator may petition PSPA or a relevant State agency for waiver of compliance with any safety standard issued under the HLPESA. RSPA is disposed to grant waivers or concur with State waivers only upon an adequate showing that compliance with the standard to be waived is not appropriate under the circumstances and safety is otherwise provided. To seek a waiver from the proposed gathering line definition, should it become final, or any related standard, an operator should submit information consistent with this policy. Merely indicating that the pipeline concerned has been treated as a gathering line would not be sufficient.

*Classification.* These proposed regulations are considered to be nonmajor under Executive Order 12291 and nonsignificant under DOT regulatory policies and procedures (44 FR 11034, February 26, 1979) because the proposed definitions are consistent with the manner in which RSPA now applies Part 195 to interstate and intrastate gathering lines. Further, because small entities do not own or operate interstate pipelines or intrastate pipelines that would be affected by this proposal, the agency certifies that this proposal will not have a significant economic impact on a substantial number of small entities.

**List of Subjects in 49 CFR Part 195**

Interstate pipeline, intrastate pipeline, pipeline safety, gathering line, rural area, production facility.

**PART 195—[AMENDED]**

In view of the above, the RSPA proposes to amend 49 CFR Part 195 in the following manner:

1. The authority citation for Part 195 continues to read as set forth below.

Authority: 49 U.S.C. 2002; Subpart B and § § 195.266, 195.310, and 195.409 also issued under 49 U.S.C. 2010(b); 49 CFR 1.03 and Appendix A of Part 1.

2. Section 195.1(b)(4) would be revised to read as follows:

**§ 195.1 Applicability.**

\* \* \* \* \*  
(b) \* \* \*

(4) Transportation of petroleum in onshore gathering lines in rural areas.

\* \* \* \* \*

3. Section 195.2 would be amended by adding three definitions in alphabetical order as follows:

**§ 195.2 Definitions.**

\* \* \* \* \*

"Gathering line" means a pipeline 8 inches or less in nominal diameter that transports petroleum from a production facility.

\* \* \* \* \*

"Production facility" means piping or equipment used in the production, extraction, recovery, lifting, stabilization, separation or treating of petroleum or associated storage or measurement.

"Rural area" means outside the limits of any incorporated or unincorporated city, town, village, or any other designated residential or commercial area such as a subdivision, a business or shopping center, or community development.

\* \* \* \* \*

4. Section 195.401(c)(2) would be revised as follows:

**§ 195.401 General requirements.**

\* \* \* \* \*

(c) \* \* \*

(2) An interstate offshore gathering line on which construction was begun after July 31, 1977.

\* \* \* \* \*

Issued in Washington, DC on November 22, 1985, under authority delegated by 49 CFR Part 106, Appendix A.

Robert L. Paullin,

Director, Office of Pipeline Safety.

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