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Chevron

November 18, 1997

Department of Interior
Minerals Management Service
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Herndon, Virginia 20170-4817

Chevron U.S.A. Production Company
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Attention: Rules Processing Team

To whom it may concern:

Chevron USA Production Company appreciates having the opportunity to comment on the proposed rule implementing a provision of the Memorandum of Understanding between the Department of the Interior (DOI) and the Department of Transportation (DOT) published in the Federal Register on October 2, 1997

As a producer who operates pipelines subject to both DOI and DOT regulations, we fully support the efforts of the Department of Interior in reducing the burden and associated costs of dual regulatory authority for OCS pipelines. Having a single regulatory agency should ease compliance and training of personnel without compromising safety.

The proposed regulations do not appear to allow producer operated pipelines to remain under DOT jurisdiction. In some cases, producer pipelines crossing the OCS/state boundary may be subject to DOT jurisdiction on that portion that is not on the OCS. Instead of dual jurisdiction, the producer may prefer for the entire pipeline to remain under DOT jurisdiction. We recommend that the regulations be revised to allow this option. The procedure for obtaining a petition for exception under 30 CFR 250.151 (c)(4) appears to be limited to issues involving the identification of the transfer point and not the situation described above.

Although the Preamble states that the MMS Supervisor for Field Operations may grant alternatives under 30 CFR 250.3, we recommend that this section of the regulations specifically provide for waivers and departures for pipelines previously subject to DOT regulations. Since differences exist between the two regulations, moving from DOT to MMS regulations may cause undue hardship without compromising safety, e.g. the difference in high pressure set points may result in the restriction of throughput capacity.

Again, we appreciate your consideration of our comments. If you have any questions, or need additional clarification regarding these comments, please contact me.

Sincerely,

Mark S. Witten