

August 26, 1992

Dr. Harry H. West  
Consulting Chemical Engineer  
Shawnee Engineers  
1415 North Loop West #1130  
Houston, Texas 77008

Dear Mr. West:

This is in response to your May 11, letter to Mr. Gilbert J. Saulter, Dallas Regional Administrator for the Occupational Safety and Health Administration (OSHA). Your letter was forwarded to the Directorate of Compliance Programs for response.

In your letter you requested an interpretation of the Final Rule on Process Safety Management (PSM) of Highly Hazardous Chemicals published in Volume 57, Number 35 of the **Federal Register** on Monday, February 24, 1992. In particular, you questioned whether single well processing facilities with equipment including separators, heat-treaters and storage tanks used in gas production (from non-H<sub>2</sub>S containing petroleum fluids) operations would be exempt from employer compliance with the PSM standard within the context of 1910.119(a)(2)(ii), which excludes oil and gas well drilling and servicing operations.

The 1910.119(a)(ii) exemption of oil or gas well drilling or servicing operations is intended to cover all drilling operations and any well servicing operation including acidizing. Additionally, water separation facilities adjacent to or near the well (including tanks used primarily for water separation in conjunction with oil or gas well production) are not covered by the PSM Standard.

The following processes, when they involve at least threshold quantities of oil or gas, are covered by the PSM standard. Oil or gas well production fluids from several wells are processed by heating the fluids and physically separating the water from the gas or oil. The water is returned to the ground via a "down hole well" for disposal return to the strata from which it came. But if these oil or gas well drilling operations take place at "normally unoccupied remote facilities", then according to 1910.119(a)(2)(iii), they are exempt from PSM standard coverage.

OSHA is developing a directive which will provide interpretive guidance and inspection procedures to our field staff. We will send you a copy of the directive when it is completed in the near future. Please refer to that directive for additional PSM standard interpretations and clarifications, for example, on what constitutes a normally unoccupied remote facility.

Thank you for your interest in occupational safety and health. If we may be of further assistance, please do not hesitate to contact us.

Sincerely,

Patricia K. Clark, Director  
Directorate of Compliance Programs

May 5, 1993

Mr. Edward L. Kelley, Manager  
Corporate Process Safety Management  
Kerr-McGee Corporation  
Kerr-McGee Center  
Oklahoma City, Oklahoma 73125

Dear Mr. Kelley:

This is in response to your November 19, 1992, letter to Mr. Tom Seymour, Deputy Director of the Directorate of Safety Standards Programs. Your letter was forwarded to this directorate for response. In your letter you requested interpretation of the Process Safety Management standard at 29 CFR 1910.119 with respect to offshore oil and gas production operations. Please accept our apologies for the delay in responding. Your questions and our responses follow.

**Question 1:** Are oil and gas production operations located off-shore within state jurisdictions covered by their PSM rule?

**Reply:** Oil and gas well drilling and servicing operations are exempt from the process safety management standard. (See 1910.119(a)(2)(ii)). Beyond the extraction of water, any processing involving 10,000 pounds (4535.9 kgs) or greater amounts of flammable liquids or gases at an offshore facility is covered. Either the federal PSM standard or a State-plan-State's PSM standard would be enforced when applicable at these offshore production facilities.

**Question 2:** If the reply to question one is yes, can an offshore facility otherwise covered by the PSM standard be exempted as a normally unoccupied remote facility?

**Reply:** Yes, to be exempted under 1910.119(a)(2)(iii), a facility must be a normally unoccupied remote facility as defined in 1910.119(b). Such a facility is operated, maintained or serviced by employees who visit the facility only periodically to check its operation and to perform necessary operating and maintenance tasks. No employees are permanently stationed at the facility.

Thank you for your interest in occupational safety and health. If we may be of further assistance, please do not hesitate to contact us.

Sincerely,

Roger A. Clark, Director  
Directorate of Compliance Programs

November 4, 1993

Mr. James W. Taber  
Unocal Oil and Gas Division  
Unocal Corporation  
260-A Caviar Street  
Kenai, Alaska 99611

Dear Mr. Taber:

This is in response to your July 6 letter to Mr. James Lake, Seattle Regional Administrator for the Occupational Safety and Health Administration (OSHA). Your letter was forwarded here for response. Please accept our apology for the delay in responding.

In your letter you requested an interpretation of the Process Safety Management (PSM) of Highly Hazardous Chemicals, 29 CFR 1910.119, standard. Specifically, you requested clarification on whether the eight manned offshore oil and gas production platforms operated, as described in the following scenario, by Unocal in Cook Inlet, Alaska are covered by the PSM standard.

**Scenario** There are numerous producing wells on each of the platforms, and each facility contains at least 10,000 pounds of flammable liquids and/or gases. The produced well fluids (gas, oil, water) flow through a two-phase separator where the gas goes overhead and the oil/water mixture goes out the bottom. The oil/water mix is pipelined to shoreside facilities for water separation. The majority of the gas flow is compressed and reinjected downhole to enhance the recovery of the oil. A small percentage of this gas is dried (water removal) through a glycol dehydration system and used as fuel gas on the facility or transported offsite via pipeline for sale as gas. The glycol dehydration system consists of a reboiler where the trimethylene glycol is heated to 400 degrees F, a pump and a contractor. The glycol is pumped into the top of the contractor while the gas flows into the bottom. The glycol absorbs (dehydrates) water vapor entrained in the gas stream and then returns to the reboiler where it is reheated to flash off absorbed water. Neither the gas nor the oil streams on these platforms is heated through the use of fired heater or heat exchangers for the purpose of removing water or processing the fluids.

The facilities containing processes involving flammable liquids or gases, as described above, are considered to be "oil or gas well drilling or servicing operations" to which the PSM standard does not apply. See 1910.119(a)(2)(ii).

Thank you for your interest in occupational safety and health. If we may be of further assistance, please contact us.

Sincerely,

Roger A. Clark, Director  
Directorate of Compliance Programs