

Dead Horse Oil Company

17 West Main Street
Greenriver, Utah 84525

(801) 554 2021

September 12, 2019

Nicolas P. Cruz, P.E.
General Engineer
U.S. DOT, PHMSA, Pipeline Safety (Western Region)
3401 Centrelake Drive, Suite 550B
Ontario, CA 91761

RE: Paradox Pipeline, Grand County, Utah

Dear Mr. Cruz:

Dead Horse Oil Company has reviewed the operations of the Paradox Pipeline as its new operator. Dead Horse, with the approval of the pipeline owners; JMD Resources, Inc., and Entrada Enterprises, LLC, will lower the pipeline pressure below 375 psi, install a compressor at the Northwest Pipeline Interconnect and operate the pipeline at 350 psi.

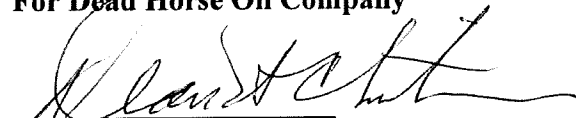
Pursuant to 49 CFR 192.3 defines a Transmission line as the following:

Transmission line means a pipeline, other than a gathering line, that: (1) Transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not down-stream from a distribution center; (2) operates at a hoop stress of 20 percent or more of SMYS; or (3) transports gas within a storage field.

Since 375 psi is 20% of SMYS and the pipeline is below 20% of SMYS, the pipeline is thereby **un-regulated**.

If you have any questions please feel free to contact this office.

Sincerely,
For Dead Horse Oil Company



Dean Christensen