

Memorandum

March 25, 2020

To: PSC

From: Dean H. Christensen
Dead Horse Oil Company LLC

Subject: Paradox Pipeline

March 25, 2020 at 8 AM PST conference call was made between representatives of Dead Horse Oil Company LLC, Utah Division of Pipeline Safety and Senator David Hinkins

Following participated in the call:

1. Al Zadeh
2. Jimmy Betham
3. Connie Hendricks
4. Dean Christensen
5. Dan Green
6. Tariq Ahmad
7. Senator David Hinkins

All participants introduced themselves. Mr. Zadeh asked as to who David Hinkins was and why he was on the conference call.

All participants were informed by Senator Hinkins that this pipeline is important asset that is to be used to provide natural gas to the City of Green River and as such a bill was passed in the legislature to accomplish this task. He further stated that a larger gas company is in the process of taking over the pipeline and this would be done in the near future and as such this pipeline cannot be abandoned as a replacement pipeline would make the provision of Natural gas uneconomical.

At the conference call Mr. Zadeh stated: **“Dead Horse must follow its own manual, which is approved by the Division and is pursuant to industry standards”**

Dead Horse specifically asked Mr. Zadeh to inform Dead Horse as to what is required of Dead Horse to comply with the Division’s request to the PSC and subsequent order by the PSC.

Mr. Zadeh again stated that Dead Horse follow its own manual which is approved and is per industry standards.

Division's Memorandum to PSC in response to Dead Horse filing with the PSC dated March 5, 2020 defined the following two issues to be addressed by Dead Horse Oil Company LLC.

ISOLATION OF PARADOX PIPELINE

Pursuant to Task #1661 of Dead Horse *APPENDIX A-Operations and Maintenance Procedures Task Manual*, see attached, Dead Horse isolated the pipeline from sources of natural gas by closing all valves that would allow natural gas to enter the pipeline and the valves were closed and locked.

INSTRUCTIONS

- a. *Whenever a pipeline or pipeline section is to be isolated, abandoned, or deactivated, it shall be identified.*
- b. *If branch lateral lines are connected to the pipeline section being shut down, either:*
 - *provide an alternate gas supply line (by pass), or*
 - *all interconnected piping must be identified and defined as part of the effected shut down piping.*
- c. *Close appropriate valves, utilize stopper fittings, end caps, blind flanges, or other appropriate devices to isolate the pipeline or facility.*
- d. *If service lines are connected to the pipeline section being shut down:*
 - *all service valves should be secured by locking the valve in the closed position until service is reestablished to the customer's premises, and*
 - *if possible, all customers should be contacted and advised of the service interruption.*
- e. *Purge isolated pipeline segment.*
- f. *If the line is to be disconnected from other activated pipelines (abandoned in place), the piping being shut down must be thoroughly purged. However, the pipeline need not be purged when the volume of gas is so small that there is no potential hazard.*

PURGING OF NATURAL GAS

Pursuant to Task #1651 of Dead Horse *APPENDIX A-Operations and Maintenance Procedures Task Manual* of Dead Horse Manual, Pipeline does not require purging.

Calculations of natural gas in the pipeline:

$$\text{Volume} = \pi r^2 \times \text{Length}$$

$$\text{Volume} = (3.142 \times 8^2) / 144 \times (21.1 \times 5280) = 155.6 \text{ Mcf at atmospheric pressure. (Maximum volume of gas in the pipeline)}$$

13 Mcf per mile is a minimal This is not sufficient to ignite and thus is not hazardous.

CONCLUSION

Dead Horse relied upon its approved manual as agreed to by the Division to address the above issues in accordance with its manual, thus Dead Horse is in compliance with PSC order.