



U.S. Department  
of Transportation

1200 New Jersey Avenue SE  
Washington, DC 20590

**Pipeline and Hazardous  
Materials Safety  
Administration**

NOV 16 2011

Mr. James S. McAda  
President  
McAda Fluids Heating Services  
P.O. Box 1080  
Bay City, Texas 77404

Ref. No. 11-0181

Dear Mr. McAda:

This responds to your letter requesting clarification of the Hazardous Materials Regulations (HMR; 49 CFR Parts 171-180) applicable to trailer-mounted oilfield water heating units with burners fueled by propane gas. The gas is transported in MC 331 specification tanks constructed in accordance with the American Society of Mechanical Engineers Boiler and Pressure Vessel Code (ASME Code) and are mounted to the same trailer as the heating units. You ask whether the water heating units you describe in your letter are subject to the HMR and, if not, what actions you can voluntarily take to communicate the hazards posed by transporting such units on a public highway.

It is the opinion of this Office the tanks you describe are fuel tanks and, therefore, are not subject to the HMR. As defined in 49 CFR 171.8, a fuel tank means "a tank, other than a cargo tank, used to transport flammable or combustible liquid, or compressed gas for the purpose of supplying fuel for propulsion of the transport vehicle to which it is attached, *or for the operation of other equipment on the transport vehicle.*" Fuel systems that meet the requirements under 49 CFR 393.65 and 393.67 of the Federal Motor Carrier Safety Regulations (FMCSR) and are not used as packaging for hazardous materials are subject only to the FMCSR. As prescribed in 49 CFR 393.69(a), a fuel system that uses liquefied petroleum gas as a fuel for the operation of a motor vehicle *or for the operation of auxiliary equipment installed on*, or used in connection with, a motor vehicle must conform to the "Standards for the Storage and Handling of Liquefied Petroleum Gases" of the National Fire Protection Association (NFPA), Battery March Park, Quincy, MA 02269.

Regarding voluntary hazard communication, it is permissible to display the FLAMMABLE GAS placard prescribed in 49 CFR 172.532. The HMR authorize placards to be displayed for a hazardous material, even when not required, provided the placarding conforms to the requirements in Subpart F of Part 172. See 49 CFR 172.502(c).

I trust this satisfies your inquiry. Please contact us if we can be of further assistance.

Sincerely,

T. Glenn Foster  
Chief, Regulatory Review and Reinvention Branch  
Standards and Rulemaking Division

# McADA DRILLING FLUIDS INC.

P.O. Box 1080  
Bay City, Texas 77404-1080  
(979) 244-3444

Stevens  
§ 171.8  
Definitions  
11-0181

25 July 2011

Mr. Charles E. Betts  
Director, Office of Hazardous Materials Standards  
U.S. DOT/PHMSA (PHH-10)  
1200 New Jersey Avenue, SE East Building, 2<sup>nd</sup> Floor  
Washington, DC 20590

Ref: Clarification as to *Placard or Not To Placard "Fuel Tanks"* as defined CFR 49 Part 171.8

Mr. Betts:

The primary purpose of this letter is to try to resolve an issue we have as to either Placard or not Placard the LPG (Propane) Fuel Tanks on our Hydro-Thermal Units, which are trailer mounted oilfield water heating units with burners being fueled with Propane. These tanks are ASME constructed MC-331 LPG tanks having capacity of 3000 gallons, used exclusively to fuel burners ranging from 16MM BTU, 21MM BTU and 35MM BTU units as needed to heat large amounts of water for oilfield applications. However, it is a general rule that when we are in transit relocating the units to another location we will only have near 10% capacity of the fuel tank with propane as we refill the units after they are set up on the new location.

Our concern is that Troopers in Texas as well as in other states occasionally interpret regulations in the CFR 49 to mean these Fuel Tanks may not apply to the definition of *Fuel Tanks* and feel we are required to Placard these "*Fuel Tanks*". In referencing CFR 49 Part 171.8, defining "*FUEL TANK*"----- *or for the operation of other equipment on the transport vehicle*", as well as the definition of "*Hazardous Material*" states the material to be Hazardous when "*Transported in Commerce*", which is not applicable in our case as the fuel is used only to fuel our units, we clearly see that we do fit the CFR 49 Part 171.8 criteria thus not required to Placard.

We would like a clear ruling as applicable to our Hydro Thermal Units, if we can Placard these units permissively with PHMSA consent to help with maintaining a diligent effort with Troopers, but without having to comply with other regulations in the CFR 49 such as shipping papers, markings and other applicable regulations that we now are not subject to as per CFR 49 Part 171.8.

## ***McADA DRILLING FLUIDS INC.***

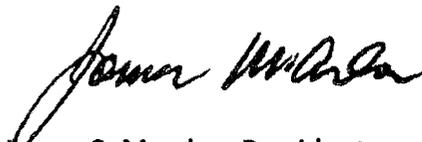
P.O. Box 1080  
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With regards to the Safety Issues for all First Responders as well as any Troopers or any FMCSA enforcement officers, as they may be responding to emergencies, we would like to do what we can to help in that respect, but without being held accountable for any non-applicable regulations.

We respectfully request that you respond with your recommendations to us in writing as we wish to be able to discuss and review your findings with our operators as well as applicable FMCSA Enforcement personnel and State Troopers from all states as we maintain a diligent and knowledgeable approach to our handling of material in our Oilfield Industry.

We will be glad to supply you with photos of our equipment upon your request. We can do this by Email or direct mail if you would like, or you can view our equipment on our website at:  
[www.mcadafluidsheating.com](http://www.mcadafluidsheating.com)

Thank you,



James S. McAda – President  
McAda Fluids Heating Services  
P.O. Box 1080  
Bay City, Texas 77404

Cc: Sgt. David Johnson – Commercial Vehicle Enforcement  
Texas Department of Public Safety – 6A03  
Victoria, TX

Cc: Roy Smith – Safety Coordinator  
McAda Drilling Fluids, Inc.  
Bay City, TX 77404