

STANDARDIZATION GUIDE FOR USED AND SURPLUS PIPE GRADING As Categorized by NASPD

This guide is meant to be a reference used by prospective buyers and sellers of pipe, including pipe dealers and end users. With the topic being so subjective, the purpose of this section of the manual is to create a standard by which any pipe seller or purchaser may attempt to describe the pipe in unison. This will give us the ability to deal across the states and across the country with a relative degree of ease. When done properly, it may reduce the necessity for long distance travel for visual inspection.

NASPD does not make any warranty as to suitability for application of any pipe described in this section. It is always sold as is with no warranty or guarantee expressed or implied as to suitability for application. It is recommended that all sellers clearly state that disclaimer. This guide will list and define most of the terminology used in the used and surplus industry and explain their relevance.

1. USED PIPE

Previously used for transmission of a product as a line; structural application; down hole exploratory or production of petroleum product; or as casing or conduit.

2. UNUSED SURPLUS

No previous usage, but may have existed in inventory for a length of time; been exposed to weather elements; records lost in liquidation sale, resulting in no traceability-origin, manufacture or grade as produced.

3. UNUSED - MILL REJECTS OR "COMMERCIAL GRADE"

Occasionally downgraded by manufacturer as excess inventory; but typically rejected from rolling; rejected from third party inspection; or mill shorts-cutoffs.

All the above products are marketed in the "Limited Service" segment of the pipe industry. No warranties should be made on the grades of pipe beyond that which accompanies the original sale from a manufacturer or inspection company. Some "limited service" pipe is offered with a limited pressure test. Caution is urged in understanding what is really offered.

*Used pipe can be inspected by a third party or inspection company or lab for yield, tensile, elongation, chemical properties, and for remaining wall thickness (such as tubing or casing - OCTG). Threads can also be inspected for suitability for possible reuse.

LINE PIPE, STANDARD PIPE AND STRUCTURAL PIPE are generally covered in this guide. There are other published guides for specialty items such as OCTG (tubing, casing, drill pipe) which elaborate in more detail.

The main reason for buyers to consider used/surplus pipe is primarily budgetary. Either budget constraints or lack of rigid specifications or grades for particular projects may allow for usage of limited service pipe.

NASPD GUIDE COVERS TWO GRADES: #1 and #2 — with subcategories of excellent, good, and poor in each.

#1 - No pitting or visible defects — description is of the surface condition of the metal — visual basis. Can be used to describe ID and/or OD of pipe. Can have "salt & pepper" finish or texture. Used to give good visual mental picture when describing pipe by phone. Can be detected by touch.

#2 - May have light to medium pitting. No heavy scale or "crater" pitting. Pipe may have #1 OD and #2 ID or vice versa. Pipe used for transfer of liquids may be rougher in ID than OD, while natural gas transmission line pipe may be smoother in the ID than on the OD.

#1 and #2 grade is meant to give only cosmetic value to pipe and is not an inspection report.

* Buyer should ask and Seller should offer previous usage of subject pipe.

Examples: OCTG or line pipe used in sour gas service (H₂S) may continue to degrade or oxidize after removal once exposed to air and water. Tailings and slurry or dredging application can wear pipe in some areas, resulting in varying wall thickness in circumference of pipe. Pipe used in petroleum, caustic or chemical use may not be suitable for some water projects.

RECONDITIONED PIPE: Can include brushing, rolling, scraping, drifting, straightening, de-denting, re-beveling, re-threading, re-coating, re-lining, cleaning, and may include electronic inspection to determine wall loss.

Used/Surplus pipe must be represented properly and clearly.

*Four main topics to cover when buying or selling used/surplus pipe:

1. Condition of metal — ID & OD surface (#1 or #2).
2. Physical condition, i.e., straightness, roundness, dents, end condition, etc.
3. Coatings, i.e., tar enamel, asphalt, tape, other, or bare.
4. Identification of previous usage, i.e., water, petroleum products, chemicals, or other.

TIP: Build up of dirt, calcium or light scale may be deceiving. With proper cleaning, pipe may be in usable condition under the rough appearance. However, proper cleaning may also expose severe pitting.

* Recommended that the NASPD TPM be given or made available to customers and buyers. It is an excellent sales tool, especially when used or surplus-products are involved.