

LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 20, 1999

Mr. Wesley Hogan
General Transportation Manager
Citgo Pipeline Company
P.O. Box 3758
Tulsa, Oklahoma 74102-3758

Dear Mr. Hogan:

CPF No. 49505C

During the week of April 12, 1999 an engineer from the Southwest Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of the pipeline facilities and records for your 20 inch crude oil pipeline between Lake Charles, Louisiana and Sour Lake, Texas, your Lakemont LPG pipeline between Lake Charles, Louisiana and Mont Belvieu, Texas, and your East Texas Main Line (ETML) between Sour Lake, Texas and Longview, Texas.

During the inspections several items were noted that cause concern about the safe operation and maintenance of the pipelines.

The records of your inspections of the station discharge block valve at the Rieber pump station on the ETML contain the comment: "valve leaks psi into the station when closed". The comment is undated and unsigned and there is no indication that any action was taken to correct the leak. Also, inspection records of the high pressure safety shutdown switches at the Diboll and Rieber pump stations on the ETML show that the set points have been changed but there is no indication of why those changes were made, who made the changes or who authorized the changes.

The safe and efficient operation of any mechanical system is dependent upon proper procedures for the maintenance of the system. This should include, but not be limited to, a process to track all equipment and components and well documented records of

equipment and component deficiencies and defects. The record should include a brief but well written and legible description of the problem, who discovered the problem, when and what action was taken to resolve the problem and the names of the personnel involved.

I suggest that you review your operations and maintenance procedures to determine that such a process is in place. Also, you should review your employee training program to ensure that everyone understands your procedures and the importance of complete documentation.

It was also noted that there is no continuing education program for the public living along the ETML. For the public living along the 20 inch crude line between Lake Charles, Louisiana and Sour Lake, Texas and the Lakemont LPG line the continuing educational program consists of announcements placed in newspapers.

Attempts to inform the public through a single media source has proved to be ineffective. Many pipeline operators have had greatest success by utilizing a multi-media approach. Supplementing newspaper ads with radio and TV spots, mail-outs or personal visits. In addition, when using mail-outs, enclosing a self addressed, no postage required response card provides the operator a method of receiving feedback from the public and is a good measure of the effectiveness of the program.

Of special concern are the highly volatile liquids transported by the Lakemont LPG line; these liquids pose unique safety problems due to their high density as gases and the low flammability limits in air (2.2 % to 3% for ethane and propane, respectively). The continuing public educational program for persons living along a highly volatile liquid pipeline should stress, in commonly used language, the unique dangers of highly volatile liquids.

Because of the good faith that you have exhibited up to this time, we expect that you will act to ensure that all maintenance activities and changes in operating criteria are properly documented and that an effective continuing public educational program is established for the Citgo pipeline system.

Sincerely,

R.M. Seeley
Regional Director, Southwest Region