

LETTER OF CONCERN**CERTIFIED MAIN - RETURN RECEIPT REQUESTED**

August 18, 1999

Mr. John Bradley
Vice President of Operations
Scurlock Permian Corporation
333 Clay Street, P.O. Box 4648
Houston, TX 77210-4648

CPF No. 27506-C

Dear Mr. Bradley:

On August 11-15, 1997, Mohammed Shoaib, of the Southern Region, Office of Pipeline Safety, conducted facilities inspection and reviewed your records in Ferriday, LA. The review disclosed some areas that are cause for concern. We hope you find these areas worthy of your attention.

Please consider the following:

1. **Applicability.**
Each operator is required to identify Department of Transportation jurisdictional and non-jurisdictional facilities. Scurlock Permian Corporation (SPC) operates interstate, intrastate, low-stress pipelines and gathering systems in the states of Louisiana and Mississippi which are under Office of Pipeline Safety Southern Region's jurisdiction. A review of your maintenance records indicates that you did not identify the current jurisdiction status of your pipeline facilities in terms of size, length, operating parameters and location of pipeline segments.
2. **Procedural Manual for Operating Maintenance and Emergencies.**
A review of SPC manual revised in March 97, indicated that you did not include or make appropriate changes in the following procedures:
 - (a) Adverse conditions that could affect the safe operation of pipeline system (Ref. 195.401(b)).
 - (b) The criterion for cathodic protection refers to NACE international standard

RPO 169-92, section 6. This particular NACE standard outlines different cathodic protection criteria, applied under different conditions. For effectiveness and proper application, the manual should indicate which criterion is being in use, and applied.

(c) No maintenance schedule is given on fire fighting equipment based on type and characteristics of fire extinguishers. In order to maintain adequate fire fighting equipment at each pump station and breakout tank areas, all fire extinguishers must adhere to a maintenance schedule.

(d) The sections of your manual, telephone communication (P: XXIX), Key Employees (P: XXX), Radio Communications (P: XXXI), and amendments, P:I (No mention of OPS) needs to be revised to incorporate necessary changes.

(e) Your manual contains certain forms (#3M, H-8) which refers to Texas Railroad Commission instead of Scurlock Permian Corporation. For interstate and Part 195 requirements, the forms should list operator's name only.

(f) The accident reporting requirement, gathering data section, listed on page 4 of your manual is not in compliance with current Part 195 requirement.

3. **Atmospheric Corrosion.**

Each operator shall clean, coat with a material suitable for the prevention of atmospheric corrosion and maintain this protection for each component in its pipeline system.

During the field observation of your pipeline facilities, it was noted that Liberty pump station developed signs of atmospheric corrosion at its needle valves.

4. **Training.**

Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the procedures, established under §195.402 for which they are responsible to insure compliance. A review of your training program indicated that this requirement has not been met in 1996 and 1997.

5. **Line Markers.**

§195.410 (a) (1) requires each operator to install line markers in sufficient numbers along each buried line so that its location is accurately known. During the field observation of your 4-inch Liberty line, from Liberty, MS to Greensburg, LA., it was noted that fewer line markers were in place.

6. **Signs.**

Each operator shall maintain signs visible to the public around each pumping station and breakout tank area. Each sign must contain the name of the operator and an emergency telephone number to contact.

During the field observation of you pipeline facilities, it was noted that the majority of the signs did not contain Scurlock Permian corporation's name as operator, instead it was showing Ashland Pipeline Company's name.

7. **Corrosion Control .**

A review of your corrosion control records procedures and field practice indicated that the critical bond at the station #730 +00 with Transco was not checked six times in 1995. Also no isolation check was made at Liberty, MS., pump station to assure that the downstream operator's pipeline system is isolated from Scurlock Pipeline System, from cathodic protection standpoint.

8. **Construction Records.**

A complete record that shows the following must be maintained by the operator involved for the lief of each pipeline facility.

The total number of girth welds and the number nondestructively tested, including the number rejected and the disposition of each rejected weld.

SPC manual does not address the subsection (a) of §195.266 regulation.

9. **Maintenance and Normal Operation.**

Your manual for operation, maintenance and emergencies lists fact-to-face meeting with public officials on semiannual basis and contacting fire, police and other appropriate public officials on annual basis (Amend #1-96). In reviewing your records, no such documentation was found.

We hope you will consider these areas of concern and take action to further improve your present level of safety. If we can answer any questions or be of any help, please call (404) 562-3530.

Sincerely,

Frederick A. Joyner
Director, Southern Region
Office of Pipeline Safety

cc: Compliance Registry, OPS Headquarters
SPC File
Robert Hookstra, Manager of Engineering

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