



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Ave., S.E.
Washington, DC 20590

JUL 02 2008

Ms. Margaret Yaeger
ConocoPhillips Pipe Line Company
600 North Dairy Ashford Road
Houston, TX 77079

Re: CPF No. 5-2007-0005

Dear Ms. Yaeger:

Enclosed is the Final Order issued in the above-referenced case. It makes findings of violation and specifies actions that need to be taken by ConocoPhillips to comply with Office of Pipeline Safety pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Western Region, this enforcement action will be closed. Your receipt of this Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

William H. Guts
for

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, P.E., Western Region Director, OPS

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)))))
ConocoPhillips Pipe Line Company,)))))
Respondent.)))))

CPF No. 5-2007-0005

FINAL ORDER

On March 20-24, 2006, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of certain intrastate natural gas pipeline facilities¹ and records of ConocoPhillips Pipe Line Company (ConocoPhillips or Respondent) in San Luis Obispo County, California. The facilities operated by Respondent consist of seven (7) miles of pipeline serving a refinery and two (2) pump stations. As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated March 2, 2007, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent violated 49 C.F.R. § 192.14 and ordering Respondent to take certain measures to correct the alleged violation.

Respondent responded to the Notice by letters dated October 5, 2007, and December 18, 2007 (collectively, Response). Respondent did not contest the allegations of violation, but provided information regarding the actions it had taken, or proposed to take, on the subject pipeline facilities. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, Respondent did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.14, which states:

§ 192.14 Conversion to service subject to this part.

(a) A steel pipeline previously used in service not subject to this part qualifies for use under this part if the operator prepares and follows a written

¹ These are known as the Zenon Way, Santa Margarita, and Shandon lines.

procedure to carry out the following requirements:

(1) The design, construction, operation, and maintenance history of the pipeline must be reviewed and, where sufficient historical records are not available, appropriate tests must be performed to determine if the pipeline is in a satisfactory condition for safe operation....

(b) Each operator must keep for the life of the pipeline a record of the investigations, tests, repairs, replacements, and alterations made under the requirements of paragraph (a) of this section.

The Notice alleged that, at the time of inspection, Respondent failed to provide records to demonstrate compliance with 49 C.F.R. § 192.14. Specifically, Respondent was unable to provide documentation that it had prepared and followed a written procedure for conversion to service of the subject pipeline facilities, as required by § 192.14(a). Respondent also did not keep records, as required by § 192.14(b), of the actions it was required to take under § 192.14(a).

In its Response, Respondent did not contest the allegation but indicated that it would undertake certain tests and other actions regarding the subject pipelines. While OPS appreciates Respondent's efforts, the actions described in the Response do not demonstrate that ConocoPhillips had prepared and followed a written procedure for the conversion of these facilities to service as of the date of the inspection, as required by § 192.14(a). Furthermore, none of the information provided in the Response meets the recordkeeping requirements of § 192.14(b).

Accordingly, based on a review of the record, I find that Respondent violated 49 C.F.R. § 192.14(a) by failing to prepare and follow a written procedure to carry out the conversion-to-service requirements for the subject pipelines. I also find that Respondent violated 49 C.F.R. § 192.14(b) by failing to keep records of the actions it was required to take under § 192.14(a).

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for the violation of 49 C.F.R. § 192.14.

Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to Notice Item 1 pertaining to conversion to Part 192 service, Respondent must prepare, submit, and follow a written procedure, including a proposed timetable, to

fulfill the requirements for conversion to service of its pipeline facilities in San Luis Obispo County, California. Respondent must submit such procedures and timetables within sixty (60) days of receipt of this Final Order.

2. Implementation of the specific steps contained in the procedure must not vary significantly from the timetable without formal notice to the Director. Absent such delays, periodic updates on progress at 90-day intervals must be supplied in writing until the conversion is complete. Due to the lack of alternate energy supplies to downstream facilities, it is understood that the timing of certain required activities, such as hydrostatic tests, may not be under the control of Respondent. However, it is expected that opportunities for performing required activities, such as refinery "turnaround," will not be missed, barring extraordinary circumstances and notification to the Director.
3. Respondent shall maintain documentation of the safety improvements costs associated with fulfilling this Compliance Order and submit them to Director, Western Region, Pipeline and Hazardous Materials Safety Administration, 12300 W. Dakota Ave, Suite 110, Lakewood, CO 80228. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies, and analyses; and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent demonstrating good cause for an extension.

Failure to comply with this Final Order may result in administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The terms of the order, including any required corrective action, shall remain in full force and effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order shall be effective upon receipt.

William H. Gate
for

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

JUL 02 2008

Date Issued