

LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 18, 2000

Mr. Robert D. Foote
Terminal Superintendent, Spokane Terminals
Exxon Company, U.S.A.
607 Exxon Road
Billings, MT 59101

CPF No. 5-2000-5010C

Dear Mr. Foote:

On March 15, 2000, representatives of the Western Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an on-site safety inspection of the pipeline break-out tanks at the Exxon Terminal located in Spokane, Washington.

The inspection included examination of records and physical integrity of the tanks. The facilities and records reviewed during this inspection did not reveal any violations of Federal pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The inspection did however disclose safety-related areas on your Spokane terminal that are cause for concern.

1. Tank 503 Foundation:

Tank 503 earth foundation displayed erosion bands around and beneath the chime area. The foundation soils had eroded to the point that there was a 2 inches wide by 2.5 inches high gap beneath two large circumferential portions of the chime. The erosion band appeared to be in close proximity of the critical zone (area under the bottom shell course and bottom plate weld). Further erosion, either inwardly or circumferentially, might lead to settlement around the critical zone and eventual bottom failure. Remedial actions should be implemented as soon as practical before the unsupported portions of the structure progress to the point that the tank integrity is impacted.

2. Monthly Tank Inspection:

§195.432 (b) requires that each operator inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to section 4 of American Petroleum Institute (API) Standard (Std) 653. However, if structural conditions prevent access to the tank bottom, the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3).

We understand that Exxon has been performing daily visual inspection of the tanks at the Spokane facility. However, the requirements for a monthly routine visual inspection of the tanks physical integrity, as defined in the Subsection 4.3.1.3 of API Std 653, can not be readily verified. Creation of a check-list and associated procedures that will ensure that the API requirements for monthly visual inspection are met should be developed. We urge you to refer to Subsection 4.3.1.3, API Std 653, and Exxon's Field Practices 9-20-2 (Above Ground Storage Tank In-Service Inspection Checklist) for references.

3. Proposed Construction:

We understand that you will be installing two-stage overfill protection systems on the breakout tanks this year. Since API Recommended Practice (RP) 2350 is referenced in §195.428 (c), we encourage Exxon to install two-stage overfill protection systems in accordance with the aforementioned reference. We would like to emphasize the API RP 2350's requirements which state that the "high high" level detector be independent of any devices, such as (automatic) gauging. Installing your system in accordance with the recommended safety practice will enhance your overfill prevention capability.

We hope that 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 feel free to contact me at (303) 231-5701

Sincerely,

Chris Hoidal, P.E.
Director