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## U.S. House of Representatives Committee on Energy and Commerce Washington, DC 20515-6115

JOHN D. DINGELL, MICHIGAN CHAIRMAN

June 20, 2007

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Ms. Jonne Slemons
Coordinator
Petroleum Systems Integrity Office
Division and Oil Gas
Alaska Department of Natural Resources
550 West 7<sup>th</sup> Avenue, Suite 800
Anchorage, AK 99501

Dear Ms. Slemons:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Wednesday, May 16, 2007, at the hearing entitled "2006 Prudhoe Bay Shutdown: Will Recent Regulatory Changes and BP Management Reforms Prevent Future Failures?" We appreciate the time and effort you gave as a witness before the Subcommittee.

Under the Rules of the Committee on Energy and Commerce, the hearing record remains open to permit Members to submit additional questions to the witnesses. Attached are questions directed to you from certain Members of the Committee. In preparing your answers to these questions, please address your response to the Member who has submitted the question(s) and include the text of the Member's question along with your response.

To facilitate the printing of the hearing record, your responses to these questions should be received no later than the close of business **Friday**, **July 6**, **2007**. Your written responses should be delivered to **316 Ford House Office Building** and faxed to **202-225-5288** to the attention of Kyle Chapman, Legislative Clerk. An electronic version of your response should also be sent by e-mail to Mr. Kyle Chapman at **kyle.chapman@mail.house.gov** in a single Word formatted document.

Ms. Jonne Slemons Page 2

Thank you for your prompt attention to this request. If you need additional information or have other questions, please contact Kyle Chapman at (202) 226-2424.

Sincerely,

JOHN D. DINGELL CHAIRMAN

## Attachment

cc: The Honorable Joe Barton, Ranking Member Committee on Energy and Commerce

The Honorable Bart Stupak, Chairman Subcommittee on Oversight and Investigations

The Honorable Ed Whitfield, Ranking Member Subcommittee on Oversight and Investigations

## The Honorable Bart Stupak

- 1. Does the build-up of sediment in a pipeline send up a red flag, since bacteria can flourish under sediment and lead to aggressive microbial corrosion?
- 2. Does the build-up of sediment in the bottom of a pipeline act as a shield which prevents biocide and other corrosion inhibitors from reaching corrosion causing bacteria?
- 3. A "Compliance Order by Consent" was issued to BP by the Alaska Department of Environmental Conservation (ADEC) in May 2002, which included a requirement for BP to determine sediment levels and to commence pigging certain oil transit lines by September 2002. However, on August 9, 2002, BP asked to eliminate the requirement for pigging these oil transit lines. On August 14, 2002, ADEC sent a letter to BP agreeing to eliminate the requirement for pigging these lines. Why did ADEC agree to eliminate the requirement for maintenance pigging these oil transit lines to remove sediments? Is there documentation to support this decision? Do you agree with this decision?
- 4. Your testimony states: "The events of 2006 in the Prudhoe Bay Unit taught us that we cannot rely on 'enlightened self interest' to ensure that prudent maintenance practices are carried out." Please explain why, in your view, BP's enlightened self interest allowed their assets to corrode and deteriorate into an unserviceable state—leading to the partial shutdown of the field?
- 5. What specific steps will the Petroleum Systems Integrity Office (PSIO) take to prevent cost cutting from compromising the safety and integrity of the pipelines under your jurisdiction?
- 6. Please describe the milestones and deadlines for BP Prudhoe Bay's operations with respect to the new quality assurance program led by your Office.
- 7. Has the State assessed the extent of cost cutting in BP's corrosion protection programs at Prudhoe Bay?
- 8. Was the State of Alaska ever advised of BP's proposals to save money by turning off corrosion inhibitor in its produced water lines? If so, what steps were taken by ADEC?
- 9. Booz Allen identified the absence of a process safety management system as a key failing in BP's Prudhoe Bay operations. What specific actions is your office taking to ensure that BP implements an effective process safety management program with respect to pipelines under your jurisdiction?
- 10. The Office of Pipeline Safety testified that they will be monitoring BP management incentives to ensure that management does not incentivize decisions which could compromise process safety or corrosion protection. Will the State of Alaska be taking parallel actions with respect to pipelines under its jurisdiction?

## The Honorable Bart Stupak (continued)

- 11. The Federal Occupational Safety and Health Administration (OSHA) asserts that Alaska OSHA has authority to regulate process safety management in the gathering centers and compressed gas operations at Prudhoe Bay. Does Alaska OSHA have process safety management regulations that mirror those of Federal OSHA?
- 12. Has Alaska OSHA ever conducted a process safety management inspection of the gathering centers and the gas compression center? How many times and on what dates?
- 13. BP's fire and gas systems in the gathering centers have aged and are in need of a major upgrade. Please describe the PSIO's plans with respect to overseeing process safety management at the gathering centers?