



U.S. Department  
of Transportation

**Research and  
Special Programs  
Administration**

400 Seventh St. S.W.  
Washington, D.C. 20590

**AUG 26 2003**

Mr. Eugene J. Voiland  
President & CEO  
Aera Energy, LLC  
10000 Ming Avenue  
P.O. Box 11164  
Bakersfield, CA 93389-1164

RE: CPF No. 5-2001-0001

Dear Mr. Voiland:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and requires certain corrective action and revision of certain operating and maintenance procedures. When the terms of the compliance order and the amendment of procedures are completed, as determined by the Director, Western Region, this enforcement action will be closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

Gwendolyn M. Hill  
Pipeline Compliance Registry  
Office of Pipeline Safety

Enclosure

cc: Mr. R.H. John, Vice-President of Operations  
Mr. Mark Poe, Environmental Advisor

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**DEPARTMENT OF TRANSPORTATION  
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

In the Matter of

AERA ENERGY, LLC.

Respondent.

CPF No. 5-2001-0001

**FINAL ORDER**

During November 27 through December 1, 2000, and on December 11, 2000, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records at Bakersfield, California. As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated January 10, 2001, a Notice of Probable Violation, Proposed Compliance Order, and Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent committed violations of 49 C.F.R. Part 192 and proposed that Respondent take certain measures to correct the alleged violations. The Notice also proposed, in accordance with 49 C.F.R. §190.237, that Respondent amend its procedures for Operations, Maintenance and Emergencies.

Respondent requested and was granted an extension of time to respond to the Notice. Respondent responded to the Notice by letter dated April 27, 2001 (Response). Respondent did not contest the allegations of violation but provided information concerning the corrective actions it has taken. Respondent did not request a hearing, and therefore has waived its right to one.

**FINDINGS OF VIOLATION**

Respondent did not contest the alleged violations in the Notice. Accordingly, I find that Respondent violated 49 C.F.R. Part 192, as more fully described in the Notice:

49 C.F.R. §192.463(a) – failure to provide adequate cathodic protection, on the Mojave-Elk Hills to North Midway Pipeline and the South McKittrick line from Highway 33 crossing to the end of the line, as inadequate pipe-to-soil potential readings were recorded on both lines.

49 C.F.R. §192.703(b) – failure to repair, replace, or remove from service each segment of pipeline that becomes unsafe, as the road crossing on the South McKittrick pipeline near the end of the line to the Highway33 crossing had shallow depth-of cover.

49 C.F.R. §192.479(a) – failure to clean, coat, or jacket with a suitable material exposed aboveground pipe to prevent atmospheric corrosion, as the Mojave tie-in on Line 219A had significant corrosion on the bolts and bodies of several valves and pressure regulating components; and the South McKittrick line from the end of the line to Highway 33 had several hundred feet of aboveground pipeline that was uncoated.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

### **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to violations of 49 C.F.R. §§ 192.463(a), 192.703(b) and 192.479(a).

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. Respondent must -

1. With regard to Item 3 of the Notice, test and analyze both segments of pipeline, Mojave-Elk Hills to North Midway Pipeline and the South McKittrick line from Highway 33 crossing to the end of the line, to determine the reasons for and the extent of inadequate pipe-to-soil potentials. Respondent must take appropriate action to ensure adequate cathodic protection in accordance with § 192.463(a) and Appendix D.
2. With regard to Item 4 of the Notice, provide adequate depth of cover to protect the pipeline at the road crossing on the South McKittrick pipeline near the end of the line to the Highway33 crossing. Produce a wheel load analysis of a worst case scenario for each crossing. All stress analysis factors/assumptions and allowable stress standards used in the analysis must be justified. In areas where pipe damage could be reasonably suspected or is known, excavate and visually examine the pipe and repair, replace, or remove the pipe from service in accordance with § 192.703.
3. With regard to Item 5 of the Notice, evaluate the pipeline and its components for adequate serviceability and repair or replace the pipe where necessary. Where the pipeline is serviceable, it must be cleaned and an external protective coating applied as required by § 192.461.

### **AMENDMENT OF PROCEDURES**

Items 1a-1r of the Notice alleged inadequacies in Respondent's Operations, Maintenance and Emergencies Manual and proposed to require amendment of Respondent's procedures to comply with the requirements of 49 C.F.R. Part 192.

1. Amend your manual of written procedures for conducting operation and maintenance activities to address each requirement of subparts L and M. All procedures should be comprehensive and in sufficient detail to allow personnel to perform their duties in a safe and reliable manner per § 192.605(a). Respondent is ordered to make the following revisions:
  - 1a. Amend abnormal operation procedures and identify foreseeable types of abnormal events and possible reactions, in accordance with § 192.605(c).
  - 1b. Amend procedures to address the need for gas odorization, in accordance with § 192.625. As for areas in class 3 and class 4 locations, address the need for odorization, or explain why these areas should be exempt.
  - 1c. Amend continuing surveillance procedures to address and identify appropriate actions to take after determining that an unusual operating or maintenance condition has been reported, include conditions such as public or landowner complaints, or systemwide integrity, in accordance with §192.613.
  - 1d. Amend procedures to address external corrosion control monitoring and provide sufficient detail to ensure that each reverse current switch, each diode, and each interference bond whose failure would jeopardize structure protection is electrically checked for proper performance, in accordance with § 192.465(c).
  - 1e. Amend **procedures** to address external corrosion control monitoring and provide sufficient detail to ensure that prompt remedial action is taken to correct any deficiencies found, in accordance with § 192.465(d).
  - 1f. Amend external corrosion control procedures to address the electrical isolation requirements of § 192.467.
  - 1g. Amend external corrosion control procedures to address annual testing for electrical shorts between metallic casing and the pipeline, and consequential corrective action within 6 months, in accordance with § 192.467(c) and OPS Guidance Material.

- 1h. Amend external corrosion control procedures to require and define “sufficient tests stations” for adequate cathodic protection, in accordance with §192.469.
- 1i. Amend external corrosion control procedures to address the cathodic protection test lead requirements of § 192.471.
- 1j. Amend internal corrosion control procedures to ensure that when any pipe is removed from a pipeline for any reason that the internal surface is inspected for evidence of corrosion and identify appropriate actions to take when the internal corrosion found requires replacement of the pipe, in accordance with § 192.475(b)(2).
- 1k. Amend external corrosion control procedures to address cathodic protection and each requirement of Appendix D, including specific procedures for cathodic protection criteria to consider IR drop, in accordance with §192.463(a).

Amend procedures to include a process to ensure those natural gas suppliers that control the set pressure for pressure regulation devices for Aera facilities do so in accordance with §§192.195 and 192.619(b). In the alternative, Aera may install the necessary equipment and establish site specific procedures to ensure that set pressure for pressure regulation devices is done properly.

- 1m. Amend procedures to include a process to ensure those natural gas suppliers that perform inspections on pressure relief devices and/or pressure regulation stations for Aera facilities do so in accordance with § 192.739. In the alternative, Aera may install the necessary equipment and establish site specific procedures to ensure proper inspection and testing.
- 1n. Amend procedures to include a process by which those natural gas suppliers that test, review, or calculate pressure relief capacity for Aera facilities do so in accordance with § 192.743. In the alternative, Aera may install the necessary equipment and establish site specific procedures to ensure proper testing of relief devices.
- 1o. Amend record keeping procedures to document and follow-up on public/landowner complaints concerning safety and integrity issues related to §§ 192.613, 192.614 and 192.703. The procedures should also include documentation of issues involving exposed pipe, earth movement and blasting, in accordance with § 192.603(b).
- 1q. Amend written procedures for emergency plans to address in sufficient detail leak detection, surveying, classification, grading, and response to gas detected inside or near a building, in accordance with § 192.615(a)(3)(I).

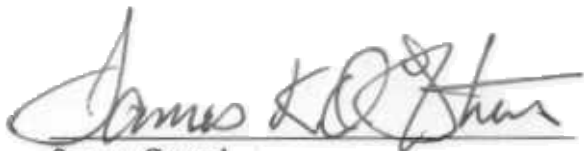
- 1r. Amend procedures to incorporate site specific procedures for purging pipelines, in accordance with § 192.629.
2. Submit the amended procedures to the Director, Western Region, OPS within 30 days following receipt of this Order.

**WARNING ITEM**

The Notice did not propose a civil penalty or corrective action for Items 2a-2c in the Notice; therefore, these are considered warning items. Respondent is warned that if it does not take appropriate action to correct these items, enforcement action will be taken if a subsequent inspection reveals a violation.

Under 49 C.F.R. § 190.215, Respondent has a right to 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 filing of a petition automatically stays the payment of any civil penalty assessed. All other terms of the order, including any required corrective action, shall remain in full effect unless the Associate Administrator, upon written request, grants a stay. The terms and conditions of this Final Order are effective upon receipt.

Failure to comply with this Order may result in the assessment of civil penalties of up to \$100,000 per violation per day, or in the referral of the case for judicial enforcement.



*SG*  
Stacey Gerard  
Associate Administrator  
for Pipeline Safety

AUG 26 2003

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Date Issued