

**WARNING LETTER**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

August 25, 1995

Mr. James H. Elmore  
Vice President of Operations  
Koch Pipelines, Inc.  
P.O. Box 2256  
Wichita, KS 67201

CPF No. 45512-W

Dear Mr. Elmore:

On July 19 - 21, 1995 a representative of the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your pipeline facilities and records for the natural gas liquids system, know as FERC Gathering System, in Medford, Oklahoma.

As a result of the inspection, it appears that you have committed probable violations as noted below of pipeline safety regulations Title 49, Code of Federal Regulations, Part 195.

The items inspected and the probable violations are:

1. § 195.401 (b) Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it shall correct it within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

Koch's inspection of rights-of-way by aerial patrol report, repeatedly reported exposed pipe

in a wash-out at the Cimarron River. No record was found of any follow-up to the wash-out location or has a work order been prepared to correct the situation.

2. § 195.402 Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective.

Koch did not follow its procedure manual in the following areas:

- (1) Koch's valve inspection report requires to complete by filling in the response beside each valve listed; the condition of valve; the comments section to be used to explain any discrepancies and any maintenance performed; and the initial and date of the inspection. Appendix 6 in your operations procedure manual has the Semi-Annual Valve Inspection Report form, that is required by your procedure manual to be used for the valve inspection. The valve inspection report in Appendix 6 requires the following: Date, Valve No., Valve type and make, Size and Class, Operating condition of Valve, Greased, Location, Remarks and Signature of inspector.

The review of the valve inspection records indicated a majority of the valve inspection report forms were different compared to the form in Appendix 6. The valve report form you are using only shows the valve number, the date of inspection and the inspector's signature.

- (2) Koch's procedure manual requires documentation of the condition of pipe and coating be made on the Leak and Repair report, or Leak, Maintenance and Exposed Pipe Report.

The review of Koch's Exposed Pipe Report or Pipeline Revision Report indicated a number of buried pipe locations, exposed for repair, that did not show the

condition of the pipe or coating.

3. § 195.416(i) Each operator shall clean, coat with material suitable for the prevention of atmospheric corrosion, and maintain this protection for each component in its pipeline system that is exposed to the atmosphere.

The operator has not cleaned, or coated with material for the prevention of atmospheric corrosion in the following areas:

a) In Medford station, the paint on the 10" scraper trap was almost completely deteriorated and rust areas were showing throughout the surface area of the piping.

b) The main line 6-inch block valve (M5) at mile post 156 had rust areas showing throughout the surface area of the aboveground piping. It appeared to have been in poor condition for a lengthy period of time. Also, at the same location, the tape wrapping on the buried portion of the pipeline did not extend above ground to provide protection to the pipe at the ground-to-air interface.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violation persists up to a maximum of \$500,000 for any related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the violations, we will take enforcement action when and if the continued violations come to our attention.

Sincerely,

James C. Thomas  
Regional Director

