

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 10, 1998

Mr. Mack Baughn, President  
Elkhorn Operating Company  
8801 South Yale, Suite 420  
Tulsa, Oklahoma 74137

Dear Mr. Baughn:

**CPF No: 48602W**

On July 8-10, 1997, a representative of the New Mexico State Corporation Commission (NMSCC) made an inspection of your pipeline facilities in Artesia, New Mexico. He acted as a representative of the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code.

As a result of the inspection, it appears that you have committed probable violations of the pipeline safety regulations (Title 49, Code of Federal Regulations, Part 195). The probable violations are:

1. **§195.402(a) 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.**

Elkhorn Operating Company (Elkhorn) has not established liaison with fire, police, and other appropriate officials as required by your procedures.

2. **§195.402(c) The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

- (2) **Gathering of data needed for reporting accidents under subpart B of this part in a timely and effective manner.**

- (4) **Determining which pipeline facilities are located in areas that would require an immediate response by the operator to prevent hazards to the public if the facilities failed or malfunctioned.**
- (5) **Analyzing pipeline accidents to determine their causes.**
- (7) **Starting up and shutting down any part of the pipeline system in a manner designed to assure operation within the limits prescribed by §195.406, consider the hazardous liquid or carbon dioxide in transportation variations in altitude along the pipeline, and pressure monitoring and control devices.**
- (13) **Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.**

Elkhorn's procedural manual does not include procedures for the items listed above.

- 3. **§195.402(d)(1)(iii) The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded: (1) Responding to, investigating, and correcting the cause of (iii) loss of communications.**

Elkhorn's procedures for abnormal operations do not include a procedure for responding to, investigation, and correcting the cause of the loss of communication.

- 4. **§195.403(a) Each operator shall establish and conduct a continuing training program to instruct operating and maintenance personnel to:**
  - (1) **Carry out the operating and maintenance, and emergency procedures established under §195.402 that relate to their assignments;**
  - (2) **Know the characteristics and hazards of the hazardous liquids or carbon dioxide transported, including, in the case of flammable HVL, flammability of mixtures with air, odorless vapors, and water reactions;**
  - (3) **Recognize conditions that are likely to cause emergencies, predict the consequences of facility malfunctions or failures and hazardous liquid or carbon dioxide spills, and to take appropriate corrective action;**

- (4) **Take steps necessary to control any accidental release of hazardous liquid or carbon dioxide and to minimize the potential for fire, explosion, toxicity, or environmental damage.**
- (5) **Learn the proper use of firefighting procedures and equipment, fire suits, and breathing apparatus by utilizing, where feasible, a simulated pipeline emergency condition; and**
- (6) **In the case of maintenance personnel, to safely repair facilities using appropriate special precautions, such as isolation and purging, when highly volatile liquids are involved.**

Training records do not document that the required training has been conducted.

- 5. **§195.403(b)(1) At intervals not exceeding 15 months, but at least once each calendar year, each operator shall review with personnel their performance in meeting the objectives of the training program set forth in paragraph (a) of this section.**

Elkhorn's training program is not reviewed at least once each calendar year, not to exceed 15 months.

- 6. **§195.403(c) Each operator shall require and verify that its supervisors maintain a through knowledge of that portion of the procedures established under §195.402 for which they are responsible to insure compliance.**

Elkhorn had no documentation to verify that supervisors maintain a through knowledge of procedures, as required by §195.403(c).

- 7. **§195.416(e) Whenever any buried pipe is exposed for any reason, the operator shall examine the pipe for evidence of external corrosion. If the operator finds that there is active corrosion, that the surface of the pipe is generally pitted, or that corrosion has caused a leak, it shall be investigated further to determine the extent of corrosion.**

Elkhorn had no records to indicate that buried steel pipe exposed in 1996 was examined for external corrosion.

- 8. **§195.416(i) Each operator shall clean, coat with a 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.**

Aboveground piping on the 3-inch portion of the pipeline is not painted or otherwise coated for the prevention of atmospheric corrosion.

9. **§195.440 Each operator shall establish a continuing education program to enable the public, appropriate government organizations and persons engaged in excavation related activities to recognize a hazardous liquid or carbon dioxide pipeline emergency and report it to the operator or the fire, police, or other appropriate public officials. The program must be conducted in English and in other languages commonly understood by a significant number and concentration of non-English speaking population in the operator's operating area.**

Elkhorn has not conducted a public education program, as required by §195.440.

10. **§195.442(a) Each operator of a buried pipeline shall carry out in accordance with this section a written program to prevent damage to that pipeline by excavation activities.**

Elkhorn's procedures do not provide for notifying the public or excavators of the program's existence and purpose.

11. **§195.442(b) The damage prevention program required by paragraph (a) of this section must, at a minimum:**
- (1) **Include the identity, on a current basis, of persons who normally engage in excavation activities in the area in which the pipeline is located.**
  - (2) **Provide for notification of the public in the vicinity of the pipeline and actual notification of persons identified in paragraph (b)(1) of this section of the following as often as needed to make them aware of the damage prevention program;**
    - (i) **The program's existence and purpose; and**
    - (ii) **How to learn the location of underground pipelines before excavation activities are begun.**

Elkhorn has not identified persons who normally engage in excavation activities in the area in which the pipeline is located.

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

documentation 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. Please refer to CPF No. 48602W in any correspondence/communication on this matter.

Sincerely,

R. M. Seeley  
Regional Director, Southwest Region

cc: New Mexico State Corporation Commission