

LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 12, 1999

Mr. Pat McCann,
Senior Vice President or Operations
KOCH Pipeline Company, L.P.
P.O. Box 2256
Wichita, KS 67201-9982

Dear Mr. McCann:

CPF No. 49509C

During the following dates a representative of the Southwest, Office of Pipeline Safety (OPS), inspected several of your Interstate pipeline facilities operated out of your Medford, OK, office. The Sterling 1&2 systems were inspected on September 28-30, 1997, on November 10-13, 1997 and on May 17-20, 1998. Your former McCamey, TX to Cushing, OK crude system was inspected on December 8-11, 1997. The Texas, Kansas & Oklahoma FERC system was inspected on December 15-18, 1997.

The following areas along the listed right-of-ways (ROW) require clearing maintenance in order to continue to preform adequate aerial patrols.

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|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sterling 1 | <ul style="list-style-type: none">• south of Business 80• south of Nevada Station• north of main line valve 47• north of main line valve 48• F.M. 636 @ MP 345.860 |
| Sterling 2 | <ul style="list-style-type: none">• south of Quinlan station |

It was also noted that the line of sight marking in applicable areas could be improved for the **Sterling 1 & 2** systems so that the location of the buried line is accurately known.

During the valve inspection record review for both systems, the following records were not available for review.

- Sterling 1** • 1st part of 1997 for valves 74,94 & 95.
- Sterling 2** • 2nd part of 1996 for valves 57-75.

During the review of your **FERC** system's overpressure protection inspection records it was noted that the inspection interval for the CIG injection facility exceeds the required 7.5 months between inspection for the period of 9/16/96 & 6/4/97. It was also noted that KOCH was not obtaining overpressure protection inspection records from Questar Beaver and National Helium suppliers.

KOCH field personnel should be retrained on KOCH's documentation requirements for Aerial Patrol & One call follow-ups and the use of KOCH's 4 in 1 report. Documentation deficiencies varied from lack of information, missing Cathodic Protection data, required dates, and other miscellaneous items that were discussed with you compliance personnel.

The above items were discussed with field personnel and a representative from your regulatory compliance department during the inspections and we hope you consider these areas of concern constructive to pipeline safety and your operations. Because of the good faith that you have exhibited up to this time, we expect that you will act to ensure that the problems discussed in this letter will be addressed.

Please refer to CPF No. 49509C in any correspondence or communication on this matter. If we can answer any questions or be of any help, please contact me at (713)718-3746. Thank you for the courtesies extended by your staff during these scheduled inspections.

Sincerely,

R.M. Seeley, Director
Southwest Region

CC: Bob Aebi
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