



U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

12300 W. Dakota Ave., Suite 110  
Lakewood, CO 80228

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED COMPLIANCE ORDER**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

February 19, 2009

Ms. Meg Yeage  
President  
ConocoPhillips Pipeline Company  
600 North Dairy Ashford  
TA 2010  
Houston, TX 77079

**CPF 5-2009-5013**

Dear Ms. Yeage:

On August 11 through 15, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Glacier pipeline facilities in Montana.

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. The items inspected and the probable violations are:

1. **§195.54 Accident reports.**
  - (a) **Each operator that experiences an accident that is required to be reported under §195.50 shall as soon as practicable but not later than 30 days after discovery of the accident, prepare and file an accident report on DOT Form 7000-1, or a facsimile.**

**(b) Whenever an operator receives any changes in the information reported or additions to the original report on DOT Form 7000-1, it shall file a supplemental report within 30 days.**

CPPL did not determine the cause of a leak on their Glacier Pipeline at the Billings ConocoPhillips refinery. The DOT Form 7000-1 for Accident Report Number 20070305 has been marked "complete" even though the cause of the leak has not been determined. This failed segment of pipe was abandoned in place and replaced a new pipe section with a different alignment. Though the failed segment is abandoned and is difficult to excavate, it is important for CPPL to determine the cause of this failure so they may take mitigative actions to prevent similar failures of other pipe in the future.

**2. §195.401 General requirements.**

**(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.**

CPPL did not evaluate the condition of pipe that had its coating damaged during a CPPL project. During this inspection, damage of the 8-inch above ground pipe coating was noted. Interviews with CPPL personnel indicated that they were unaware of this damage. Subsequently there has not been an examination of the pipe to ensure its integrity has not been jeopardized. Interviews indicate that this damage most likely occurred during a project to move the Portage block valve from below-ground to above-ground.

**3. §195.402 Procedural manual for operations, maintenance, and emergencies.**

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

**(13) Periodically reviewing the work done by operator to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.**

CPPL's process for conducting periodic reviews of work done by their personnel to determine procedure effectiveness appear unproductive. CPPL annual review records of personnel's work often show that forms for these reviews are being completed in a manner that does not meet the requirements of §195.402(c)(13). This inadequacy indicates a lack of understanding by those making these reviews.

**4. §195.420 Valve maintenance.**

**(a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.**

CPPL failed to maintain the downstream Cut Bank station isolation valve, the downstream 8- and 12-inch Teton River crossing valves, the upstream and downstream isolation valves for the Dutton station, and the 12-inch Portage valve in good working order. The valve position indicators appear to have been removed from all these valves and have not been replaced. Valve position indicators should be maintained if they were an original part of the valve. Additionally any valves installed after October 1969 must have a valve position indicator in accordance with §195.116(e).

**5. §195.420 Valve maintenance.**

**(a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.**

**(b) Each operator shall, at intervals not exceeding 7-1/2 months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.**

CPPL either failed to maintain some of their valves in good working order or have not documented corrective actions they have taken to maintain these valves in good working order. Some CPPL valve inspection records do not show corrective actions taken as a result of deficiencies found during CPPL's mainline valve inspections.

**6. §195.428 Overpressure safety devices and overflow protection systems.**

**(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7-1/2 months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.**

CPPL failed to inspect and test some of their pressure control devices at their Judith Gap station during the last half of 2007. CPPL pressure control inspection and testing records for Judith Gap station indicate that not all of the pressure control devices inspected and tested in April 2007 and April 2008 were inspected and tested in the last half of 2007.

**7. §195.583 What must I do to monitor atmospheric corrosion control?**

**(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:**

<b>If the pipeline is located:</b>	<b>Then the frequency of inspection is:</b>
<b>Onshore</b>	<b>At least once every 3 calendar years, but with intervals not exceeding 39 months</b>
<b>Offshore</b>	<b>At least once each calendar year, but with intervals not exceeding 15 months</b>

**(b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.**

**(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by Sec. 195.581.**

CPPL did not take actions to correct or monitor atmospheric corrosion at locations identified during field inspections conducted in 2006. CPPL's Span and Exposed Piping Inspection Reports, dated July 2006, for above ground pipe on the 10" Billings station to Exxon refinery line (Station 111+99) and the 8" Billings to Laurel line (Station 3391+52) show that the report's check box for FURTHER INSPECTION has been marked "Y". The reports indicate that station 111+99 has no air to soil transition coatings and station 3391+52 had air to soil transitions in fair to poor condition. Observations of these locations indicate that there has not been any follow up on these pipe spans.

#### Proposed Compliance Order

With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to ConocoPhillips Pipeline Company (CPPL). Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

#### Warning Items

With respect to items 2, 3, 4, 5, 6, and 7 we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these items. Be advised that failure to do so may result in CPPL being subject to additional enforcement action.

#### Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 5-2009-5013** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in cursive script that reads "C Hoidal".

Chris Hoidal  
Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*  
*Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry  
PHP-500 G. Davis (#120775)

## PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to ConocoPhillips Pipeline Company (CPPL) a Compliance Order incorporating the following remedial requirements to ensure the compliance of CPPL with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to CPPL not making a causal factor determination that resulted in a leak in their pipeline reported in DOT Form 7000-1 Accident Report number 20070305, CPPL must determine the causal factor(s) and submit an updated Accident Report in accordance with 49 CFR 195.54(b).

CPPL must perform the causal factor determination within 60 days after receiving the Final Order and update the Accident Report 30 days after making the causal factor determination.

2. CPPL shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.