



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

SENT TO COMPLIANCE REGISTRY

Hardcopy Electronically

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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

Mr. Dan Rea
Sr. Vice President of Midstream
Anadarko Petroleum Corporation
1201 Lake Robbins Drive
Woodlands, TX 77380

CPF 5-2009-5007

Dear Mr. Rea:

On September 24, 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Integrity Management Program (IMP) in Green River, Wyoming.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. §195.452 Pipeline integrity management in high consequence areas.

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

- (1) A process for identifying which pipeline segments could affect a high consequence area;

The 2005, 2006, and 2007 annual reports show that pipeline mileage designated as “could affect an HCA segment” had been reduced from 30 miles to one (1) mile without any technical justification. Based on the National Pipeline Mapping System (NPMS), it appears that the pipeline mileage that could affect an HCA segment is greater than one (1) mile on their Crude Oil Pipeline. Therefore, the HCAs were not adequately identified and located, the City of Table Rock.

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 the Anadarko Petroleum Corporation. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 5-2009-5007** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



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 H. Nguyen (#122216)

PROPOSED COMPLIANCE ORDER

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

1. In regard to Item Number 1 of the Notice pertaining to your pipeline systems, the APC must:
 - a) Identify which pipeline segments could affect a high consequence area (HCA).
 - b) Perform a comprehensive analysis of the release locations and spill volumes.
 - c) Perform a comprehensive overland spread analysis.
 - d) Perform a comprehensive water transport analysis, if applicable.
 - e) Identify the segments that could indirectly affect an HCA, if applicable.
 - f) Justify any deviations of could affect segments located within an HCA listed in the National Pipeline Mapping System (NPMS).

2. **Within 60 days of issuance of the Final Order, the APC must complete the above items, and submit the required documentation and procedures to the Director, Western Region, Pipeline and Hazardous Materials Safety Administration, 12300 West Dakota Avenue, Suite 110, Lakewood, Colorado 80228.**

3. The APC 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.