



U S Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Ave S E
Washington DC 20590

JAN 30 2008

VIA CERTIFIED MAIL AND FACSIMILE TO: (281) 293-3024

Ms. Meg A. Yeage
President
ConocoPhillips Pipe Line Co.
600 N. Dairy Ashford
Houston, TX 77079

Re: CPF No. 4-2008-5002H

Dear Ms. Yeage:

Enclosed is a Corrective Action Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It requires you to take certain corrective actions with respect to your pipeline that failed on January 9, 2008. Service is being made by certified mail and facsimile. Your receipt of this Corrective Action Order constitutes service of that document under 49 C.F.R. § 190.5. The terms and conditions of this Corrective Action Order are effective upon receipt.

We look forward to a successful resolution of concerns arising out of the recent pipeline failure to ensure pipeline safety. Please direct any questions on this matter to me at (713) 272-2859.

Sincerely,

R. M. Seeley
R. M. Seeley
Director, Southwest Region

Enclosure

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)
In the Matter of)

ConocoPhillips Pipe Line Co.,)

CPF No. 4-2008-5002H

Respondent)
_____)

CORRECTIVE ACTION ORDER

Background and Purpose

On January 9, 2008, a failure occurred on a crude oil pipeline operated by ConocoPhillips Pipe Line Company (Respondent) near Plains, Texas. The cause of the failure has not yet been determined. Pursuant to 49 U.S.C. § 60117, the Pipeline and Hazardous Materials Safety Administration (PHMSA) initiated an investigation of the accident.

As a result of the ongoing investigation, the Director, Southwest Region, PHMSA, issued to Respondent, by letter dated January 17, 2008, a Notice of Proposed Corrective Action Order (Notice). In accordance with 49 C.F.R. § 190.233, the Notice alleged the existence of a hazardous facility, stated the facts and circumstances supporting the issuance of a corrective action order, and provided Respondent an opportunity for a hearing, if requested within 10 days. Respondent did not request a hearing within 10 days of service of the Notice, waiving its right to contest the allegations in the Notice and authorizing the entry of this Corrective Action Order.

Accordingly, this Corrective Action Order is being issued, under authority of 49 U.S.C. § 60112 and 49 C.F.R. § 190.233, to require Respondent to take necessary corrective action to protect the public, property, and the environment from potential hazards associated with a failure involving Respondent's hazardous liquids pipeline.

Preliminary Findings

- At approximately 2:15 a.m. local time on January 9, 2008, Respondent's 12-inch WA pipeline from Odessa, Texas to Borger, Texas (hereafter "the affected pipeline") failed near the town of Plains, Texas (Yoakum County). The failure occurred at mile post (MP) 83.5. The accident was reported to the National Response Center (NRC Report No. 859187).

- Respondent initially reported to PHMSA that the failure resulted in the release of approximately 700 barrels of crude oil, but subsequently made representations that the release could have been 30,000 barrels. No fires, injuries, fatalities, or evacuations were reported in connection with the accident. The release of crude oil impacted soil in the area of the failure, but the environmental impact has not yet been determined.
- Respondent detected the accident at its control center and initiated a shutdown. Respondent closed block valves upstream and downstream of the failure site (valves at MP 80 and MP 98), isolating approximately 18 miles of pipeline. Respondent purged the isolated section of product and removed and replaced a 43-foot section of pipe, including the failure point. Respondent has sent the removed section of pipe to a metallurgist for analysis. Respondent returned the 18-mile section to service at a reduced operating pressure on January 10, 2008.
- The cause of the failure has not yet been determined. A preliminary visual examination of pictures taken at the failure site indicates a failure approximately 30 inches in length along the longitudinal weld seam.
- The affected pipeline is approximately 290 miles in length. The pipeline runs from Odessa Pump Station in Ector County, Texas, to Wasson Pump Station in Yoakum County, Texas (MP 80). From Wasson Pump Station the pipeline travels to Slaughter Pump Station in Cochran County, Texas (MP 110). The failure occurred at MP 83.5 between the Wasson and Slaughter Pump Stations. The 18-mile section that was isolated following the failure is between Wasson Pump Station (MP 80) and a block valve at MP 98. From Slaughter Pump Station, the pipeline continues to the Borger Refinery in Hutchinson County, Texas.
- Respondent's pipeline maps indicate that the pipeline is not routed near any heavily populated areas, state or local highways, or unusually sensitive environmental areas.
- According to Respondent, the pipe that failed is 12-inch nominal diameter, 0.250-inch wall thickness, Grade 45000, electric flash welded (EFW) pipe with somastic coating, manufactured by A.O. Smith and constructed in 1948. The pipeline is cathodically protected. Vintage pipe manufactured by A.O. Smith has historically been susceptible to seam failure.
- According to Respondent, the established maximum operating pressure of the pipe that failed is 1255 psig, established in 2005 by a hydrostatic test. Respondent has calculated that the actual operating pressure at the failure site immediately prior to the failure was 1088 psig.
- Respondent has reported that the pipeline has not had any previous significant discharge events that resulted in a failure analysis or an enforcement action by PHMSA.

- Respondent has reported that it performed an inline inspection of the affected pipeline in 2004 using a magnetic flux leakage tool.

Determination of Necessity for Corrective Action

Section 60112 of Title 49, United States Code, provides for the issuance of a corrective action order, after reasonable notice and the opportunity for a hearing, requiring corrective action, which may include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The basis for making the determination that a pipeline facility is hazardous, requiring corrective action, is set forth both in the above-referenced statute and 49 C.F.R. § 190.233.

On January 17, 2008, Respondent received notice of the alleged existence of a hazardous facility and the facts and circumstances supporting the issuance of a corrective action order. Respondent's failure to request a hearing within 10 days of service of the Notice waives its right to contest the allegations in the Notice and authorizes the entry of this Corrective Action Order in accordance with § 190.233.

After evaluating the foregoing preliminary findings of fact and after considering the age of the pipe involved, the manufacturer, the susceptibility of pipe of this vintage and manufacturer to seam failure, the uncertainty about the magnitude of the release (volume of product), the hazardous nature of the product transported, the pressure required for transporting such product, and the ongoing investigation to determine the cause of the failure, I find that continued operation of the affected pipeline without corrective measures would be hazardous to life, property, and the environment.

Accordingly, PHMSA issues this Corrective Action Order mandating immediate corrective action. The terms and conditions of this Order are effective upon receipt.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken. In that event, Respondent will be notified of any additional measures required and amendment of this Order will be considered. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Required Corrective Action

Pursuant to 49 U.S.C. § 60112 and 49 C.F.R. § 190.233, I hereby order ConocoPhillips Pipe Line Company to immediately take the following corrective actions with respect to the affected pipeline:

1. Maintain a reduced maximum operating pressure that does not exceed 80 percent of the operating pressure at the failure site immediately prior to the January 9, 2008 failure. Specifically, the reduced maximum operating pressure at the failure site may not exceed 870 psig. Further, all pump stations on the affected pipeline that were operating above 870 psig at the time of the failure must reduce their maximum operating

pressures to 870 psig. All pump stations that were operating below 870 psig at the time of the failure must set their maximum operating pressures to the pressures that they were operating at the time of the failure. These pressure restrictions will remain in effect until written approval to increase the pressure or return the pipeline to its pre-failure operating pressure is obtained from the Director.

2. Within 30 days of receipt of this Order, complete mechanical and metallurgical testing and failure analysis of the failed pipe. The testing and analysis shall be completed as follows:
 - (A) When handling and transporting the failed pipe section and other evidence from the failure site, document the chain-of-custody;
 - (B) Obtain the Director's prior approval of the mechanical and metallurgical testing protocols, including approval of the testing laboratory;
 - (C) Prior to commencing the mechanical and metallurgical testing, provide the Director with the scheduled date, time, and location of the testing to allow a PHMSA representative to witness the testing; and
 - (D) Ensure that the testing laboratory distributes all resulting reports, whether draft or final, to the Director at the same time as they are made available to Respondent.
3. Within 30 days of receipt of this Order, calculate the true volume of product that was released from the pipeline as a result of the January 9, 2008 pipeline failure and submit the calculated volume and method of calculation to the Director. If additional calculations are performed that indicate a different volume of product released, submit the recalculated volume and method of calculation to the Director.
4. Within 60 days of receipt of this Order, develop and submit to the Director for approval a written remedial work plan that includes corrective measures. The work plan must fully address all known or suspected factors that caused or contributed to the January 9, 2008 failure and must include, as applicable:
 - (A) The integration of the information developed from the actions required by Item 2 with any relevant pipeline system information, including: previous failure investigations; leak history; repair records; corrosion control/cathodic protection records; internal inspections; hydrostatic testing; changes in pressure cycling; operating procedures; and other relevant operating data for the purpose of performing a comprehensive analysis of the available information associated with the factors that caused or contributed to the failure;
 - (B) The performance of field testing, inspections, and evaluations to determine whether and to what extent the conditions associated with the failure, or any other integrity-threatening conditions, are present elsewhere on the affected pipeline system. If seam failure is determined to have caused or contributed to the

pipeline failure, field testing must include: (1) hydrostatic testing, including a “spike” test and detailed metallurgical testing of any hydrostatic test failures that occur; or (2) testing by an alternative technology with prior approval of the Director. Include a detailed description of the criteria to be used for the evaluation and prioritization of any integrity threats/anomalies that are identified. Make the results of the inspections, field excavations, and evaluations available to PHMSA or its representative;

- (C) The performance of repairs or other corrective measures that fully remediate the condition(s) associated with the pipeline failure and any other integrity-threatening condition everywhere along the pipeline where such conditions are identified by the evaluation process. Include a detailed description of the repair criteria and method(s) to be used in undertaking any repairs or other remedial actions;
 - (D) Provisions for continuing long-term periodic testing and integrity verification measures to ensure the ongoing safe operation of the pipeline, considering the results of the analyses, inspections, and corrective measures undertaken pursuant to the corrective action order; and
 - (E) A proposed schedule for completion of the actions required by paragraphs (A) through (D) of this Item 4.
5. Revise the remedial work plan as necessary to incorporate new information obtained during the failure investigation and associated remedial activities. Submit any such plan revisions to the Director for prior approval. The Director may approve plan elements incrementally. The remedial work plan shall become incorporated into the corrective action order.
 6. Implement the work plan as it is approved by the Director, including any revisions to the plan.
 7. Submit quarterly reports to the Director that: (1) include available data and results of the testing and evaluations required by this Order; and (2) describe the progress of the repairs and other remedial actions being undertaken. The first report shall be due April 1, 2008.
 8. Maintain documentation of the costs associated with implementation of the corrective action order. Include in each quarterly report submitted pursuant to Item 7, the to-date total costs associated with: (1) preparation and revision of procedures, studies and analyses; (2) physical changes to pipeline infrastructure, including repairs, replacements and other modifications; and (3) environmental remediation.
 9. The Director may allow the removal or modification of the pressure restriction set forth in Item 1 upon a written request from Respondent demonstrating that the hazard has been abated and that restoring the affected pipeline, or portion thereof, to its pre-failure

operating pressure is justified based on a reliable engineering analysis showing that the pressure increase is safe considering all known defects, anomalies, and operating parameters of the pipeline.


The Director may grant an extension of time for compliance with any of the terms of this Order upon a written request timely submitted demonstrating good cause for an extension.

With respect to each submission that under this Order requires the approval of the Director, the Director may: (a) approve, in whole or part, the submission; (b) approve the submission on specified conditions; (c) modify the submission to cure the deficiencies; (d) disapprove, in whole or in part, the submission, directing that Respondent modify the submission, or (e) combine any of the above. In the event of approval, approval upon conditions, or modification by the Director, Respondent shall proceed to take all action required by the submission as approved or modified by the Director. In the event that the Director disapproves all or any portion of the submission, Respondent shall correct all deficiencies within the time specified by the Director, and resubmit it for approval. In the event that a resubmitted item is disapproved in whole or in part, the Director may again require Respondent to correct the deficiencies in accordance with the foregoing procedure, and/or the Director may otherwise proceed to enforce the terms of this Order.

Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

The actions required by this Corrective Action Order are in addition to and do not waive any requirements that apply to Respondent's pipeline system under 49 C.F.R. Parts 190 through 199, under any other order issued to Respondent under authority of 49 U.S.C. § 60101 et seq., or under any other provision of Federal or state law

Failure to comply with this Order may result in the assessment of civil penalties and in referral to the Attorney General for appropriate relief in United States District Court pursuant to 49 U.S.C. § 60120. The terms and conditions of this Corrective Action Order are effective upon receipt.



Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

JAN 30 2008

Date Issued