

**WARNING LETTER
AND
LETTER OF CONCERN**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 18, 1999

Mr. Brian O'Neill
Chief Operations Officer
Markwest Hydrocarbon, Inc.
155 Inverness Drive West, Suite 200
Englewood, CO. 80112

CPF 27511W

Dear Mr. O'Neill,

On November 18 and 19, 1997, a representative of the Southern Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your pipeline facilities in West Virginia and Kentucky, and conducted a records review at your Southshore, KY office. As a result of the inspection, it appears that you have committed probable violations, as noted below, of pipeline safety regulations Title 49, Part 195, Code of Federal Regulations.

The probable violations are:

1. §195.403 Training.

(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; . . .

(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;

(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.

Documentation was not found of conducting a written continuing training program instructing operating and maintenance personnel in carrying out the operating and maintenance, and emergency procedures that relate to their assignments; recognition of conditions that are likely to cause emergencies, predict the consequences of facility malfunctions or failures and hazardous liquid, and to take appropriate corrective action; and to safely repair the pipeline facilities using appropriate special precautions, such as isolation and purging, as required of §195.403 (a)(1), (3), and (6).

2. §195.403 Training.

(b) At intervals not exceeding 15 months, but at least once each calendar year, each operator shall:

(1) Review with personnel their performance in meeting the objectives of the training program set forth in paragraph (a) of this section; and

2) Make appropriate changes to the training program as necessary to insure that it is effective.

Documentation could not be found that reviews with personnel in meeting training program objectives have been conducted, or that appropriate training program changes have been made, as required of §195.403 (b).

We have reviewed the circumstances and supporting documents involved for the probable violation in this case, and have decided not to assess you a civil penalty. You will not hear from us again with regard to the noted inspection and our subsequent action. Because of the good faith you have exhibited up to this time, we expect that you will act to bring your operations into compliance with pipeline safety regulations.

In addition, the inspection disclosed two items of concern.

1) Markwest uses contract aerial patrols to satisfy patrolling requirements. Also, Siloam plant personnel foot patrol the pipeline twice a year. As you may know, outside damage is a leading cause of pipeline accidents. You may want to consider requiring an employee familiar with Markwest's pipeline location, and proficient in pipeline patrolling, to periodically accompany the pilot, to "get a different set of eyes" on the pipeline, and to assure the pipeline

is patrolled effectively.

2) Pipeline regulations require pressures in a pipeline during surges or other abnormal operations not to exceed 110 percent of the established maximum operating pressure (MOP). Although your line has operated as a low stress line, I understand that there is a possibility that the normal operating pressure will be increased in the future. My concern is (and safety regulations require) that a review of the pipeline response under all conceivable abnormal operating and surge conditions be made to assure pressures along the line will not exceed the 110 percent MOP level during such conditions.

We hope you will consider these areas of concern and take action to further improve your present level of safety. If we can answer any questions or be of any help, please call us at (404) 562-3530.

Please refer to CPF 27511W in any correspondence or communication on this matter.

Sincerely,

Frederick A. Joyner
Director, Southern Region
Office of Pipeline Safety

cc: Compliance Registry, OPS Headquarters