

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 7, 1998

Mr. George M. Rootes, President
Shell Pipeline Corporation
Two Shell Plaza
777 Walker
Houston, Texas 77252

Dear Mr. Rootes:

CPF No. 48515W

On March 30 through April 1 and April 13-15, 1998, a representative of the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of Shell's Ozark 10-inch crude oil pipeline and facilities in Oklahoma. Records were reviewed in Wood River, Illinois, and Cushing, Oklahoma.

As a result of the inspection and record review, it appears that you have committed probable violations as noted below of pipeline safety regulations Title 49, Code of Federal Regulations, Part 192. The items inspected and the probable violations are:

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Shell's Electrical - Equipment and Controls, Inspection and Maintenance Manual, Procedure 3.4 Protective and Control Devices (P&CD) requires the testing of: One and All Unit Trips (63D and 63D1 on the P&CD's for the Cushing station) and of the High Line Pressure (HLP 63 on the P&CDs for the Wildhorse station) on the stations piping to be calibrated once a year and recorded on Form No. PL-741/OPL-741. No records were found to demonstrate the testing of these devices for the Cushing and Wildhorse Stations

for the years 1996 and 1997.

It was also observed that several PL-741 forms were completed incorrectly. To ensure calibration of the protective devices to the correct set points, the form requires that the P&CD drawing number and revision be listed. Several forms had the incorrect P&CD revision number. This could have resulted in incorrect set points had the later revision changed the set point. Also, the dates noted on the Form Date on several of the PL-741 forms were inconsistent. Shell's procedures require that the Form Date be completed to document the latest update of the safety devices listed.

2. **§195.404 Maps and Records.**

(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information;

(1) Location and identification of the following pipeline facilities;

- (i) Breakout tanks;**
- (ii) Pump stations;**
- (iii) Scraper and sphere facilities;**
- (iv) Pipeline valves;**
- (v) Cathodically protected facilities;**
- (vi) Facilities to which §195.402(c)(9) applies;**
- (vii) Rights-of-way; and**
- (viii) Safety devices to which §195.428 applies.**

(2) All crossings of public roads, railroads, rivers, buried utilities, and foreign pipelines.

(3) The maximum operating pressure of each pipeline.

(4) The diameter, grade, type and nominal wall thickness of all pipe.

During the review of the Alignment Sheets we noticed that some had not been Checked or Approved. Moreover, we also noticed that not all the drawings were updated and that key information was missing. For example, rectifier installations on the western end of the pipeline were not included on the Alignment Sheets.

Furthermore, when a P&CD was changed or revised extensively the comment "General Revision" was used in the revision column instead of listing the change made. As a result it is difficult to determine what changes had been made. A comparison to the previous revision would have to be made to determine the changes, however, this revision is not always readily available.

Because of these findings it is recommended that Shell implement a procedure that requires maps, drawings and records required for the safe operation of a pipeline to be Checked and Approved before they are issued, and that the drawings be kept updated. It is also recommended that any changes be clearly noted on the drawing when it is revised.

3. **§195.408 Communications.**

(a) Each operator must have a communication system to provide for the transmission of information needed for the safe operation of its pipeline system.

During the field inspection of the facilities the telephone at the unmanned Grand Lake Station was not operable when we tried to use it.

4. **§195.416 External corrosion control.**

(a) Each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, conduct tests on each buried, in contact with the ground, or submerged pipeline facility in its pipeline system that is under cathodic protection to determine whether the protection is adequate.

During the review of the records of these tests we found many errors. Although we determined during our interviews with the cathodic protection technician that the errors were “paper errors”, they must be taken seriously since they indicate carelessness and improper review of the data.

Additionally, Shell does not have cathodic protection interference records to show that testing had been conducted. Although we saw no evidence of interference during the inspection, data from these tests are important for the safe operation of the pipeline.

Finally, it was observed during the inspection and subsequent meetings that Shell corrected or is in the process of correcting these findings.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violations persists up to a maximum of \$500,000 for any related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the violations, we will take enforcement action when and if the continued violations comes to our attention.

Please refer to CPF No. 48515W in any correspondence/communication on this matter.

Sincerely,

R. M. Seeley
Regional Director, Southwest Region