

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 10, 1998

Mr. M. D. Regan, Vice President
Highlands Gathering and Processing Company
801 Cherry Street
P.O. Box 7, M.S. 1300
Ft. Worth, Texas 76101

Dear Mr. Regan:

CPF No. 48601W

On September 17 - 18, 1997, a representative of the New Mexico State Corporation Commission (NMSCC) made an inspection of your pipeline facilities in Loving, New Mexico. He acted as a representative of the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code.

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, Part 195). The probable violations are:

1. **§195.410(a)(2) Each operator shall place and maintain line markers over each buried pipeline. The marker must state at least the following on a background of sharply contrasting color, the word "Warning," "Caution," or "Danger" followed by the words "Petroleum (or the name of the hazardous liquid transported) Pipeline."**

At the time of the inspection, line markers over the Highlands Gathering and Processing Company (Highlands) HVL pipeline stated "High Pressure Gas Line," not the name of the hazardous liquid transported.

2. **§195.416(i) Each operator to clean, coat with a material suitable for the prevention of atmospheric corrosion, and maintain this protection for each component in its pipeline system that is exposed to the atmosphere.**

Aboveground piping at the pig launchers at mainline valves #1 and #4 have not been painted or coated for the prevention of atmospheric corrosion.

3. **§195.440 Each operator shall establish a continuing education program to enable the public, appropriate government organizations and persons engaged in excavation-related activities to recognize a hazardous liquid or carbon dioxide pipeline emergency and report it to the operator or the fire, police, or other public officials. The program must be conducted in English and in other languages commonly understood by a significant number and concentration of non-English speaking population in the operator's operating area.**

Highlands has not conducted a public education program, as required by §195.440.

4. **§195.442(b) The damage prevention program required by paragraph (a) of this section must, at a minimum:**
 - (1) **Include the identity, on a current basis, of persons who normally engage in excavation activities in the area in which the pipeline is located.**
 - (2) **Provide for notification of the public in the vicinity of the pipeline and actual notification of persons identified in paragraph (b)(1) of this section of the following as often as needed to make them aware of the damage prevention program;**
 - (i) **The program's existence and purpose; and**
 - (ii) **How to learn the location of underground pipelines before excavation activities are begun.**

Highlands has not identified persons who normally engage in excavation activities in the area in which the pipeline is located.

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 violation persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documentation 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 come to our attention.

Please refer to CPF No. 48601W in any correspondence/communication on this matter.

Sincerely,

R.M. Seeley
Regional Director, Southwest Region

cc: New Mexico State Corporation Commission