

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. 48514W

On April 7-8, and April 12 and 14, 1998, a representative of the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite safety inspection of records and 10-inch Propylene and 12-inch Ethylene pipelines and the facilities in Houston and Texas and Louisiana.

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 for the 10-inch Propylene pipelines are:

§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 and

calibrating, if necessary, of the over pressure protective devices of the 10-inch Propylene pipeline at Mount Belvieu. No records were found to demonstrate that the devices had been tested at the required intervals. Shell personnel explained that this was an oversight that had occurred because the pipeline was relatively new and that a procedure to delineate the responsibility between construction and operating personnel for calibrating the devices at the required intervals did not exist. Since then Shell has prepared a procedure to alleviate this problem.

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. 48514W in any correspondence/communication on this matter.

Sincerely,

R. M. Seeley
Regional Director, Southwest Region