

## NOTICE OF AMENDMENT

**VIA UPS 2<sup>ND</sup> DAY DELIVERY- 1Z WR2 578 02 9840 7727**

June 26, 2013

Mr. Robert Neufeld  
Vice President  
Environmental and Governmental Affairs  
Wyoming Pipeline Co.  
1600 Broadway, Suite 2300  
Denver, CO 80202

**CPF 5-2013-6001M**

Dear Mr. Neufeld:

On October 22-26, 2012, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Wyoming Pipeline Company's (WPC) operations and maintenance (O&M) procedures in Newcastle, Wyoming.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within WPC's plans or procedures, as described below:

- 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.**

WPC's Operations and Maintenance (O&M) Procedure Manual did not include a provision in their manual to address the design and construction of a pipeline to allow passage of in-line inspection (ILI) devices as required by §195.120(a). Each new pipeline and/or each line section of a pipeline where the line pipe or components have been replaced must be designed and constructed to accommodate passage of instrumented internal inspection devices. WPC's O&M procedure is inadequate because they did not clearly describe how their personnel will implement the requirements of section §195.120(a) for new construction.

**2. §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.**

WPC did not establish adequate written procedures for analyzing pipeline accidents to determine the cause as required by §195.402(c)(5). WPC's O&M procedure is inadequate because they did not clearly describe what actions must be taken to meet the requirement of section §195.402(c)(5).

**3. §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.**

WPC did not establish adequate written procedures for minimizing the potential for hazards and the possibility of recurrence of accidents as required by §195.402(c)(6). WPC's O&M procedure is inadequate because they did not clearly describe what actions must be taken to meet the requirement of section §195.402(c)(6).

**4. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of**

**this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

WPC's O&M Procedure Manual did not include a section to address signage at pump stations and breakout tank areas. Signage at pumping stations and breakout tank areas are necessary to ensure the operator can be reached at all times, including emergencies, as required by §195.434. WPC's O&M procedure is inadequate because they did not clearly describe where signage must be maintained to meet the requirements of section §195.434.

**5. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

WPC did not establish adequate written procedures for testing, inspecting, and maintaining an overfill protection system at the required intervals per §195.428(c) and according to API Recommended Practice 2350. Overfill devices are required for aboveground breakout tanks that are constructed or significantly altered after October 2, 2000 as required by §195.428(c), unless an operator notes in the manual required by §195.402 why compliance with that part is not necessary for safety of the tank. Therefore, WPC's O&M procedure is inadequate because they did not clearly describe what actions must be taken to meet the requirements of section §195.428(c).

**6. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

WPC did not establish adequate written procedures for inspecting the physical integrity of in-service atmospheric aboveground breakout tanks according to API Standard 653 as required by §195.432(b), e.g. routine in-service inspections (monthly), external inspection. WPC's O&M procedure is inadequate because they did not clearly describe how their personnel will implement the requirements of section §195.432(b).

**7. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

WPC did not establish adequate written procedures for maintaining the daily operating records as required by §195.404(b). The daily operating records that indicate the discharge pressure at each pump station, and any emergency or abnormal operation shall be maintained for at least 3 years. Therefore, WPC's O&M procedure is inadequate because they did not clearly define what is an interval for maintaining the daily operating records as required by §195.404(b).

**8. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

WPC did not establish adequate written procedures for maintaining current records or maps to show the location of cathodically protected pipelines, cathodic protection facilities, and neighboring structures bonded to cathodic protection systems as required by subpart H, §195.589(a). WPC's O&M procedure is inadequate because they did not clearly describe what actions must be taken to meet the requirements of section §195.589(a).

**9. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

WPC did not establish adequate written procedures to address when and how cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank must be inspected per subpart H, §195.573(d). Each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank must be inspected in accordance with API Recommended Practice 651 as required by §195.573(d), unless operator notes in the corrosion control procedures established under §195.402(c)(3) why compliance with all or certain operation and maintenance provisions of API RP 651 is not necessary for the safety of the tank.

Meanwhile, WPC's O&M procedure is inadequate because they did not clearly describe how their personnel will implement the requirements of section §195.573(d).

**10. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

WPC did not establish adequate written procedures to describe the circumstances in which a CIS or comparable technology is practicable and necessary, as required by subpart H, §195.573(a)(2), and in accordance with paragraph 10.1.1.3 of NACE SP 0169. Each operator must identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary as required by §195.573(a)(2). WPC's O&M procedure is inadequate because they did not clearly describe how their personnel will implement the requirements of section §195.573(a)(2).

**11. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

WPC did not establish adequate written procedures for defining the interference bonds (critical and non-critical) and how to electrically check for proper performance of each bond as required by subpart H, §195.573(c). The O&M manual needs to address the difference between critical and non-critical bonds and how to inspect the two (2) types. Interference Bond whose failure would jeopardize structural protection must be inspected as required by §195.573(c). WPC's O&M procedure is inadequate because they did not clearly describe how their personnel will implement the requirements of section §195.573(c).

**12. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

WPC did not establish adequate written procedures for electrically isolating each buried or submerged pipeline from other metallic structures unless they electrically interconnect and cathodically protect the pipeline and other structures as a single unit per subpart H, §195.575(a). The O&M manual needs to describe the criteria for isolation as required by §195.575(a), e.g. casings, custody transfer points/flanges. WPC's O&M procedure is inadequate because they did not clearly describe how their personnel will implement the requirements of section §195.575(a).

**13. §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.**

WPC did not establish adequate written procedures to address training program to instruct emergency response personnel to the following types of emergencies: carry out the emergency procedures that relate to their assignments, know the characteristics and hazards of the hazardous liquids transported, recognize conditions that are likely to cause emergencies, predict the consequences of facility malfunctions or failures and hazardous liquids spills, and take appropriate corrective action, take steps necessary to control any accidental release of hazardous liquid and to minimize the potential for fire, explosion, toxicity, or environmental damage, and learn the potential causes, types, sizes, and consequences of fire and the appropriate use of portable fire extinguishers and other on-site fire control equipment, involving, where feasible, a simulated pipeline emergency condition. WPC's emergency procedures must clearly describe what actions must be taken to meet the minimum emergency scenario requirements of section §195.403(a).

**14. §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.**

WPC did not establish adequate written emergency procedures for reviewing with personnel their performance in meeting the objectives of the emergency response training program. It also did not include a requirement for making appropriate changes to the emergency response training program as necessary to ensure that it is effective. Each operator shall, at intervals not exceeding

15 months, but at least once each calendar year, review with personnel their performance and make appropriate changes to the emergency response training program as required by §195.403(b). WPC's emergency procedure is inadequate because they did not clearly describe what actions must be taken to meet the requirements of section §195.403(b).

**15. §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.**

WPC did not establish adequate written emergency procedures to verify that the supervisors be maintained a thorough knowledge of that portion of the emergency response procedures for which they are responsible. Each operator shall require and verify that supervisors maintain a thorough knowledge of the emergency response procedures for which they are responsible as required by §195.403(c). WPC's emergency procedure is inadequate because they did not clearly describe what actions must be taken to meet the requirements of section §195.403(c).

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within thirty days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Wyoming Pipeline Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2013-6001M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Chris Hoidal  
Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry  
PHP-500 C. Allen/D. Hubbard (#139527)