



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 6, 2011

Mr. Dennis Smith
President
ConocoPhillips Pipe Line Company
TA 2010
600 North Dairy Ashford Road
Houston, TX 77079

CPF 5-2011-5014

Dear Mr. Smith:

On October 4 through October 8, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Glacier pipeline from the Judith Gap pump station to and including facilities in Billings, Montana.

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. The items inspected and the probable violations are:

- 1. §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:**

(12) Establishing and maintaining liaison with fire, police, and other appropriate public officials to learn the responsibility and resources of each government organization that may respond to a hazardous liquid or pipeline emergency and acquaint the officials with the operator's ability in responding to a hazardous liquid or carbon dioxide pipeline emergency and means of communication.

ConocoPhillips Pipe Line Company's (CPPL's) liaison activities with Roundup, Montana area firefighting organizations were inadequate. CPPL's only liaison activities with Roundup firefighting organizations have been through the Montana Liquid and Gas Pipeline Association's (MLGPA) emergency responder annual meetings in Billings, Montana. Based on records provided to PHMSA, it appears that no representatives from Roundup firefighting organizations attended this meeting in 2010. The Roundup station and tank farm are located just outside of Roundup. Although the ConocoPhillips Billings refinery fire brigade would respond in the case of a fire at the Roundup station and tank farm, the response time could be more than an hour. Therefore, firefighters from Roundup appear they would be the first responders to a fire at Roundup station and tank farm. Furthermore, liaison with the Roundup firefighting organizations would lower the probability of personnel injury and property damage in the event of a fire at the Roundup station and tank farm. An operator must have adequate liaison with local fire fighting organizations that may respond to an operator's hazardous liquid emergency. These liaison activities are required to allow the operator to learn the responsibilities and resources of those local response organizations and to acquaint the emergency responders with the operator's ability to respond and to coordinate methods of communication during a hazardous liquid emergency.

2. §195.428 Overpressure safety devices and overfill protection systems

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

CPPL did not properly inspect and test all of their pressure limiting devices. CPPL failed to verify the buckling pins associated with the 300 psig relief valve at the Billings station and the 800 psig relief valve at the Roundup station. The inspections did not confirm the buckling pins were compatible and of the correct pressure rating for the relief valves in which they were installed. Neither buckling pin had a factory applied tag with pertinent information required to match each pin to its respective valve. CPPL personnel stated that because the pins are exposed to the elements the pin tags eventually degrade. Additionally in a March 2, 2011 email, CPPL staff stated "Replacement rupture pins come from the manufacturer with serial numbered tags attached to the pin that match the serial number of the valve. Furthermore, high and low rupture pins have different diameters and the high pressure pin will not fit in the pin holder of the low pressure pin.

The pins are not interchangeable with other valves. The pins are designed with specific length and diameter and a valve must be sent to the manufacturer's representative to change pressure relief settings." Nevertheless, CPPL had no documentation to show that they had verified, during annual inspections, that these buckling pins were compatible and of the proper pressure rating for the valves in which they were installed. Buckling pins must be verified as being compatible and of the correct pressure rating for the valves in which they are installed in order for an operator to determine the overpressure safety devices are adequate from the standpoint of capacity and reliability.

3. §195.404 Maps and Records.

(b) Each operator shall maintain for at least 3 years daily operating records that indicate-

(1) The discharge pressure at each pump station; and

CPPL failed to ensure that its pump station that transferred product through its 3.65 mile long pipeline to the ExxonMobil refinery is able to record daily discharge pressures. The CPPL-ExxonMobil transfer pump station was configured such that the daily discharge pressure recording device was at the terminus of this 3.65 mile long pipeline and not at the discharge side of the pump station itself. With the recorder at the terminus of the pipeline, it does not record the discharge pressures from the pump station but instead it records the pump station discharge pressure minus pressure losses due to friction experienced over the length of the pipeline. Additionally the pressure recorder could have been isolated from the pump station should one of the valves between the transfer pump station and the end of the pipeline become closed. With the pressure recorder isolated from the actual transfer pump it would be impossible for CPPL to record pump station daily discharge pressures. An operator must have the means to record and maintain for at least 3 years the daily operating discharge pressure from each of its pump stations.

4. §195.404 Maps and Records.

(c) Each operator shall maintain the following records for the periods specified;

(2) The date, location, and description of each repair made to parts of the pipeline other than pipe shall be maintained for at least 1 year.

CPPL failed to maintain records of atmospheric coating and CP test lead repairs. During the inspection, PHMSA could not find records of actions that had been taken to repair deficiencies found during some atmospheric coating inspections. An example is the inspection records for the 10-inch Yale block valve site that indicated the coating was deficient. During the field inspection, it was noted that these valves appeared to have been recently recoated yet there was no record of these coating repairs. Additionally, CPPL was unable to provide records of test lead repairs identified on their annual CP survey form, and verified by our inspector as being completed during his field reviews. An operator is required to maintain a record of the date, location and description of each repair made to parts of the pipeline other than pipe and these records must be maintained for at least 1 year.

5. §195.440 Public awareness

(a) Each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (IBR, see § 195.3).

CPPL failed to meet the objectives of their Public Awareness program when they did not inform each emergency official along the Glacier pipeline of their facility locations within each emergency official's area of jurisdiction. Additionally, CPPL failed inform each emergency official of the location of the Glacier emergency response plan for facilities within each emergency official's area of jurisdiction. CPPL's Public Awareness Program MPR-2302A communication objectives for local emergency officials includes providing emergency officials the location of CPPL pipelines and/or terminals within the emergency officials' area of jurisdiction as well as the location of each facility's associated emergency response plan.

CPPL provided PHMSA a copy of the Montana Liquid and Gas Pipelines Association's Public Awareness and Emergency Responder annual meeting PowerPoint presentation as evidence that they were meeting their Public Awareness's objectives. In that presentation, emergency responders were directed to contact pipeline operators for specific pipeline locations within their areas. This statement does not meet the objectives of the CPPL Public Awareness Program of providing local Emergency Officials the locations of CPPL pipelines and terminals and emergency response plans within the Officials area of jurisdiction. CPPL stated they had no other documentation of local emergency response official contacts. It is not the local emergency responders' responsibility to contact a pipeline operator for the location of the operator's pipelines and facilities. Instead it is the pipeline operator's responsibility to ensure emergency responders have sufficient knowledge of the pipeline system to respond to a spill or fire. An operator is required to implement their written public awareness program following the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162.

Proposed Compliance Order

With respect to items 1, 2, 3, and 5 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to ConocoPhillips. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

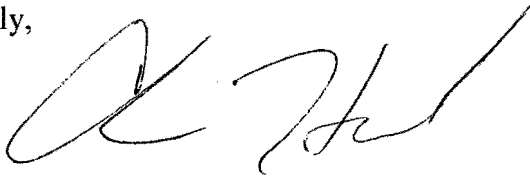
With respect to item 4 we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these item(s). Be advised that failure to do so may result in ConocoPhillips being subject to additional enforcement action.

Response to this Notice

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.

In your correspondence on this matter, please refer to **CPF 5-2011-5014** 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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

cc: PHP-60 Compliance Registry
PHP-500 G. Davis (#128421)

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to ConocoPhillips Pipe Line Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of CPPL with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to liaison activities with Roundup, Montana local firefighters, CPPL must arrange, conduct, and document a meeting with the local firefighters in Roundup, Montana who would be the first responders to a fire at CPPL's Roundup Tank Farm. In that meeting, CPPL must ensure that Roundup firefighters have adequate information as to the location of local CPPL facilities and pipelines as well as a tactical firefighting plan for response to any fires at local CPPL facilities. CPPL must also develop a plan to periodically meet with Roundup firefighters on an ongoing basis. CPPL must provide documentation and evidence to PHMSA showing compliance with this item.
2. In regard to Item Number 2 of the Notice pertaining to the capacity and reliability of rupture pins at Billings and Roundup stations, CPPL must provide documentation traceable to each rupture pin that shows they are compatible, and of adequate capacity and reliability for the pressure relief valve in which they are installed. CPPL must provide documentation and evidence to PHMSA showing compliance with this item.
3. In regard to Item Number 3 of the Notice pertaining to CPPL's ability to record discharge pressures from their ExxonMobil transfer pump station, CPPL must ensure there is a device capable of measuring the discharge pressures directly downstream from the ExxonMobil transfer pump station. CPPL must provide documentation and evidence to PHMSA showing compliance with this item.
4. In regard to Item Number 5 of the Notice pertaining to CPPL's failure to inform emergency response officials along their Glacier pipeline. CPPL must ensure that all emergency response organizations have been given the location of all pipeline facility locations within their areas of jurisdiction. In addition CPPL must ensure that all emergency response organizations have knowledge of the location Glacier's emergency response plans. CPPL must provide documentation and evidence to PHMSA showing compliance with this item.
5. CPPL must complete all compliance order items within 60 days after receipt of the Final Order.
6. It is requested (not mandated) that CPPL maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.