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Via UPS Delivery
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Mr. Roderick M. Seeley
Director, Southwest Region
Pipeline and Hazardous Material Safety Administration
8701 South Gessner
Suite 1110
Houston, Texas 77074

RE: Explorer Pipeline Notice of Amendment CPF-4-2010-5002M

Dear Mr. Seeley:

Explorer Pipeline has received the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Notice of Amendment Letter CPF 4-2010-5002M dated January 12, 2010 relating to the 2009 integrated inspection (II) of Explorer Pipeline's system assets in Louisiana, Texas, Oklahoma, Missouri, Illinois and Indiana We are providing the following modifications made to processes, procedures or plans to respond in response to the requested notice of amendments (NOA):

PHMSA NOA 1:

§195.55 Reporting safety-related conditions.

(a) Except as provided in paragraph (b) of this section, each operator shall report in accordance with §195.56 the existence of any of the following safety-related conditions involving pipelines in service:

(1) General corrosion that has reduced the wall thickness to less than that required for the maximum operating pressure, and localized corrosion pitting to a degree where leakage might result.

(2) Unintended movement or abnormal loading of a pipeline by environmental causes, such as an earthquake, landslide, or flood that impairs its serviceability.

(3) Any material defect or physical damage that impairs the serviceability of a pipeline.

(4) Any malfunction or operating error that causes the pressure of a pipeline to rise above 110 percent of its maximum operating pressure.

(5) A leak in a pipeline that constitutes an emergency.

(6) Any safety-related condition that could lead to an imminent hazard and causes (either directly or indirectly by remedial action of the operator), for purposes other than abandonment, a 20 percent or more reduction in operating pressure or shutdown of operation of a pipeline.

(b) A report is not required for any safety-related condition that:

(1) Exists on a pipeline that is more than 220 yards (200 meters) from any building intended for human occupancy or outdoor place of assembly, except that reports are required for conditions within the right-of-way of an active railroad, paved road, street, or

highway, or that occur offshore or at onshore locations where a loss of hazardous liquid could reasonably be expected to pollute any stream, river, lake, reservoir, or other body of water;
(2) Is an accident that is required to be reported under §195.50 or results in such an accident before the deadline for filing the safety-related condition report; or
(3) Is corrected by repair or replacement in accordance with applicable safety standards before the deadline for filing the safety-related condition report, except that reports are required for all conditions under paragraph (a)(1) of this section other than localized corrosion pitting on an effectively coated and cathodically protected pipeline.

Explorer's procedures must be modified to require the submission of applicable Safety Related Conditions Reports (SRCR) where a pressure reduction has been taken for remediation of a condition identified from an integrity assessment performed as part of the integrity managed program. Explorer must modify their processes and procedures (e.g. HSE-SPLS-001; O&M Section 1.0.5 (55)) to accurately reflect the requirements for 195.55 and reflect that a SRCR is required for anomalies meeting those SRCR criteria that require pressure reduction prior to remediation under the Integrity Management Rule.

Explorer Pipeline Response to NOA 1:
Explorer Pipeline's process HSE-SPLS-001 and DOT procedure 1.0.5 (55) has been consolidated and modified to reflect the applicable SRCR reporting criteria associated with a pressure reduction involving the remediation of a condition identified from an integrity assessment performed as part of the integrity management program.

PHMSA NOA 2:
§195.575 Which facilities must I electrically isolate and what inspection, tests, and safeguards are required?
(a) You must electrically isolate each buried or submerged pipeline from other metallic structures, unless you electrically interconnect and cathodically protect the pipeline and the other structures as a single unit.
(b) You must install one or more insulating devices where electrical isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control.
(c) You must inspect and electrically test each electrical isolation to assure the isolation is adequate.
(d) If you install an insulating device in an area where a combustible atmosphere is reasonable to foresee, you must take precautions to prevent arcing.
(e) If a pipeline is in close proximity to electrical transmission tower footings, ground cables, or counterpoise, or in other areas where it is reasonable to foresee fault currents or an unusual risk of lightning, you must protect the pipeline against damage from fault currents or lightning and take protective measures at insulating devices.

Explorer's procedures (e.g.; Corrosion Manual, Section 7.5.0) must be modified to provide sufficient guidance for evaluating whether sufficient protection is being provided form damage due to fault currents or lightening strikes.

Explorer Pipeline Response to NOA 2:
Explorer Pipeline Corrosion Control procedure 7.12.0 – Electrical Isolation has been modified to provide sufficient guidance for evaluating whether sufficient protection is being provided form damage due to fault currents or lightening strikes.

PHMSA NOA 3:
§195.577 What must I do to alleviate interference currents?
(a) For pipelines exposed to stray currents, you must have a program to identify, test for, and minimize the detrimental effects of such currents.
(b) You must design and install each impressed current or galvanic anode system to minimize any adverse effects on existing adjacent metallic structures.

Explorer's procedures (e.g. Corrosion Manual, Sections 7.6.0; 7.13.0; 7.14.0) must be modified to provide sufficient guidance describing what testing is necessary to determine whether an interference bond is required and, if so, whether or not it needs to be considered a critical bond.

Explorer Pipeline Response to NOA 3:
Explorer Pipeline's Corrosion Control procedure 7.18.0 – Testing Diodes, Bonds, Metal Oxide Varistors and Rectifiers Stacks has been modified to provide guidance when testing is necessary to determine whether an interference bond is required and if it's considered a critical bond.

PHMSA NOA 4:
§195.571 What criteria must I use to determine the adequacy of cathodic protection?
Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE Standard RP 0169 (incorporated by reference, see §195.3).

Explorer procedures (e.g.; Corrosion Manual, Section 7.4.0) must be modified to provide specific direction on how IR drop is to be considered when using the "-0.850v on" criterion to determine cathodic protection (CP) adequacy. Explorer procedure 7.4.0 does not clearly convey and lacks specific direction on how IR drop is to be considered when using the "-0.850v on" criterion.

Explorer Pipeline Response to NOA 4:
Explorer Pipeline's Corrosion Control procedure 7.4.0 – Criteria for Cathodic Protection has been modified to provide specific direction on how IR drop is to be considered when using the "-0.850v on" criterion to determine adequacy of cathodic protection (CP). A new Explorer Pipeline Corrosion Control procedure 7.19.0 IR Consideration was also developed to provide supplemental information for IR consideration.

PHMSA NOA 5:
§195.573 What must I do to monitor external corrosion control?
(e) Corrective action. You must correct any identified deficiency in corrosion control as required by Sec. 195.401(b). However, if the deficiency involves a pipeline in an integrity

management program under Sec. 195.452, you must correct the deficiency as required by Sec. 195.452(h).

Explorer's procedures (e.g.; Corrosion Manual, Section 7.5.0) must be modified to provide specificity for actions to be taken for evaluating and reacting to CP data and additional details on performing the follow up and verification of completion of remediation and completed work for atmospheric and external corrosion deficiencies (e.g., test lead repairs, rectifier replacement, ground bed replacements, low CP readings, low CIS readings, exposed pipe report).

Explorer Pipeline Response to NOA 5:
Explorer Pipeline's Corrosion Control procedure 7.5.0 – Cathodic Protection and Corrosion Control procedure 7.19.0 IR Consideration has been modified to provide specific details for addressing and correcting deficiencies associated with test leads, rectifiers, ground beds, low CP and CIS readings and exposed pipe reports.

PHMSA NOA 6:
§195.505 Qualification program. Each operator shall have and follow a written qualification program. The program shall include provisions to:
(a) Identify covered tasks;
(b) Ensure through evaluation that individuals performing covered tasks are qualified;

The Qualification Method Matrix must be modified by adding detail and specificity to ensure it accurately reflects all applicable qualification methods for the covered task (for example, Performance Verification (PV) and other methods for the covered tasks in OQ-COR-1.3, OQ-MT-27.1, and the operate the pipeline tasks). The "Corrosion related Tank Covered Tank List" that Explorer presented during the inspection must be incorporated into the performing the external floating roof tank inspections and seal inspections (including AOC qualification). The Qualification method Matrix must be modified by adding detail and specificity for the vendor developed ASNT certification programs, TD Williamson Hot-tapping and stoppling certification programs; and Clockspring and Perma-wrap vendor qualification programs that are referenced in the QO Plan without specifically defining the evaluation methods and re-inspection intervals. The qualification matrix process documentation must be modified to define that the requirements for re-qualification are the same as initial qualification, as described by Explorer during the inspection.

Explorer Pipeline Response to NOA 6:
Explorer Pipeline's covered task (CT) list has been modified to reflect all applicable qualification methods as well as integration of the corrosion related tank list.

PHMSA NOA 7:
§195.505(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the Administrator or state agency has verified that it complies with this section.

Explorer must provide additional detail to the definition of "Significant changes" in the OQ Plan. The OQ Plan defines significant modification as "a modification to the plan's content associated with internal structural changes or regulatory changes" in definition; and in Section

9, the OQ Plans states that "changes or regulatory and/or organization structure impacting the OQ Plan will constitute Explorer" notifying PHMSA. The use of "internal structural changes" and "organizational structure impacting the OQ Plan" to define what constitutes a significant change to the OQ Plan (outside of impacts from regulatory changes" is not sufficient specificity to ensure Explorer submits Notifications to PHMSA when appropriate.

Explorer Pipeline Response to NOA 7:
Explorer Pipeline has augmented to its definition of significant changes in the OQ Plan. In addition, a copy of the revised OQ Plan has been submitted to PHMSA due to the new significant change determination.

PHMSA NOA 8:
§195.505(b) (*see above*)
§195.503 Definitions.
Abnormal operating condition means a condition identified by the operator that may indicate a malfunction of a component or deviation from normal operations that may:
(a) Indicate a condition exceeding design limits; or
(b) Result in a hazard(s) to persons, property, or the environment.

The OQ Plan must be modified to define that in-house Explorer personnel must have AOC qualification for the covered task and describe the method(s) to accomplish the qualification.

Explorer Pipeline Response to NOA 8:
Explorer Pipeline's OQ Plan has been modified to require that in-house Explorer Pipeline personnel must have abnormal operating condition (AOC) qualifications for the covered task. The specific AOC(s) have been incorporated into the OQ performance verification (PV) forms.

PHMSA NOA 9:
(c) 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.

The Public Awareness Plan (Section 10.4 & 10.5) must be modified to provide sufficient detail on how information on newly-identified excavators is collected to ensure they are included in future public awareness mailings and communications.

Explorer Pipeline Response to NOA 9:
Explorer Pipeline's Public Awareness Plan has been modified to reflect how newly-identified excavators are added to the communication list to ensure they are included in all future mailings and communications.

If you have any questions, please contact me directly or Kevin Brown at (918) 493-5104.

Rod Sands
President and Chief Executive Officer

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