

**NOVEMBER 23, 2012**

Mr. John Minge  
President  
BP Exploration (Alaska), Inc.  
900 E. Benson Blvd.  
Anchorage, AK 99508-4254

**Re: CPF No. 5-2010-5011M**

Dear Mr. Minge:

Enclosed please find the Order Directing Amendment issued in the above-referenced case. It makes a finding of inadequate procedures and requires that BP Exploration (Alaska), Inc., amend certain operating and maintenance procedures. When the amendment of procedures has been completed, as determined by the Deputy Director, Western Region, PHMSA, this enforcement action will be closed. Service of the Order Directing Amendment by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. David O. Barnes, P.E., DOT & Integrity Manager, BP Pipelines (North America)  
Inc., 28100 Torch Parkway, Warrenville, IL 60555  
Mr. Dennis Hinnah, Deputy Director, Western Region, OPS  
Mr. Chris Hoidal, Director, Western Region, OPS  
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

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<b>In the Matter of</b>	)	
	)	
<b>BP Exploration (Alaska), Inc.,</b>	)	<b>CPF No. 5-2010-5011M</b>
	)	
<b>Respondent.</b>	)	
	)	

**ORDER DIRECTING AMENDMENT**

On July 27-28, 2009, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), inspected the procedures for operating, maintenance, and emergencies for the Greater Prudhoe Bay natural gas liquids pipeline system of BP Exploration (Alaska), Inc. (BPXA or Respondent), at BPXA’s offices in Anchorage, Alaska.<sup>1</sup>

As a result of the inspection, the Deputy Director, Western Region, OPS (Deputy Director), issued to Respondent, by letter dated April 20, 2010, a Notice of Amendment (Notice). The Notice alleged inadequacies in Respondent’s written procedures for operations, maintenance and emergencies and, in accordance with 49 C.F.R. § 190.237, proposed that Respondent amend its procedures to comply with the requirements of 49 C.F.R. §§ 195.1, 195.228, and 195.402(c)(7).

BPXA responded to the Notice by letter dated May 20, 2010 (Response). The company contested two of the allegations of inadequacy and submitted copies of its revised procedures with respect to the third allegation. Respondent did not request a hearing and therefore has waived its right to one.

**Item 1** in the Notice alleged that Respondent’s procedures failed to indicate that a 6-inch diameter pipeline transporting highly volatile liquids (HVLs) from Valve FV1206 to Flow Station 1 is DOT jurisdictional and thus subject to the Part 195 regulations. In its Response, BPXA disagreed that the pipeline was subject to Part 195 regulations. Respondent explained that it had reviewed the regulatory history and function of the pipeline and although the former operator included the line as part of the regulated NGL pipeline system, it had removed the line from regulated status under its procedures in 1996, upon consultation with a PHMSA inspector.

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<sup>1</sup> BPXA, a wholly-owned subsidiary of BP Pipelines (North America), Inc., conducts oil and gas exploration, production, and transportation in Alaska, including transporting natural gas liquids.  
<http://www.bp.com/subsection.do?categoryId=3050048&contentId=3050166> (last visited October 4, 2012).

Respondent contended that the pipeline was a “production flow line” because the HVLs it carried were subject to additional processing through separation facilities prior to being sent to the Trans-Alaska Pipeline System.

Respondent’s argument, however, is not persuasive. Under 49 C.F.R. § 195.2, an HVL means “a hazardous liquid which will form a vapor cloud when released to the atmosphere and which has a vapor pressure exceeding 276 kPa (40 psia) at 37.8°C (100°F).” The fact that the liquids being transported in this pipeline are subject to additional processing does not mean they are not HVLs and thus hazardous liquids. Moreover, this pipeline originates at a pipeline that Respondent acknowledges is a regulated transmission pipeline. Therefore, this pipeline cannot be a production pipeline because the product it transports has already entered the transportation system. Accordingly, I find that Respondent’s procedures for classifying the 6-inch diameter pipeline transporting HVLs from Valve FV1206 to Flow Station 1 are inadequate to ensure the safe operation of its pipeline system.

Pursuant to 49 C.F.R. § 190.237, Respondent is ordered to amend its written procedures for operations, maintenance, and emergencies to classify the 6-inch diameter pipeline transporting HVLs from Valve FV1206 to Flow Station 1 as a transportation pipeline subject to 49 C.F.R. Part 195.

**Item 2** in the Notice alleged that Respondent’s procedure for visual weld inspections designated as SPC-AK-43-331 was inadequate because it did not require that visual inspection be conducted in accordance with the American Petroleum Institute (API) 1104 welding standard and instead allowed its non-destructive examination (NDE) contractor to follow the ASME B31.3 standard.<sup>2</sup> In its Response, BPXA explained that under section 7.16 of its procedures, the requirement to follow the ASME International (ASME) B31.3 standard was in addition to following the API 1104 standard, not instead of API 1104, and that as a result the API 1104 standard was met and even exceeded. I agree. Accordingly, I find that Respondent’s procedure for visual weld inspections designated as SPC-AK-43-331 was adequate and this allegation is withdrawn.

**Item 3** in the Notice alleged that Respondent did not have an adequate procedure for starting up its pipeline after purging. In its Response, BPXA explained that it added Procedure 2.2b, entitled *Slack Pipeline Start Up*, to the Normal Operations section of its procedural manual to address the inadequacy cited in the Notice. BPXA submitted a copy of its amended procedures with its Response, which the Deputy Director has reviewed. Based on the results of such review, I find that Respondent’s original procedures for line start up after purging, as described in the Notice, were inadequate to ensure safe operation of its pipeline system, but that Respondent has corrected the identified inadequacy. Accordingly, it is unnecessary to direct any further amendment of this procedure in this Order.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a petition for reconsideration of this Order Directing Amendment. Should Respondent elect to do so, the petition must be sent to: Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2<sup>nd</sup> Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. PHMSA will accept petitions received no later than 20 days after

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<sup>2</sup> API 1104 is incorporated by reference into Part 195. See 49 C.F.R. § 195.3.

receipt of service of this Order Directing Amendment by the Respondent, provided they contain a brief statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.215. Unless the Associate Administrator, upon request, grants a stay, all terms and conditions of this Order Directing Amendment are effective upon service in accordance with 49 C.F.R. § 190.5.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued