

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED CIVIL PENALTY**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

March 30, 2009

Jim Lamanna, President  
BP Pipelines (North America) Inc.  
Mail Code 7018  
28100 Torch Parkway  
Warrenville, IL 60555

**CPF 3-2009-5002**

Dear Mr. Lamanna:

On July 9-11, 2007 and August 6-9, 2007 a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Amoco Oil Company Whiting to Indianapolis and Whiting to River Rouge products lines in the states of Indiana and Michigan and associated records in Merrillville, IN.

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 violation(s) are:

1. **§195.406 Maximum operating pressure**
  - (a) **Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:**
    - (3) **Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under Subpart E of this part.**

On August 31, 2005, BP/Amoco failed to operate the Whiting to River Rouge line segment from Whiting, IN to Granger, IN at a pressure eighty percent or less than the pressure to which it had been hydrostatically pressure tested.

On August 26, 2005, a segment of 12” diameter pipe was replaced at MP 74.46 on the Whiting to River Rouge pipeline in a repair project. The new pipe was grade X52 with a wall thickness of 0.375 inches, thus giving it a design operating pressure of 2202 psig ( $0.72 \times 2 \times 52,000 \times 0.375 / 12.75$ ). This segment of pipe was pressure tested to 1420 psig, which would have allowed a maximum operating pressure of 1136 psig. The maximum operating pressure of the line at the time was 1440 psig. BP/Amoco operated the line from August 26, 2005 to May 16, 2007 with overpressure protection controls set for a maximum operating pressure of 1440 psig. The maximum operating pressure and high pressure shut down instrument settings at Whiting pump station were set at 1440 psig and 1490 psig respectively during this time interval. During this time period, the pressure at Granger Station (MP 87), approximately 13 miles downstream of the replaced pipe segment, exceeded 1136 psig on one occasion. On August 31, 2005 from 17:50 to 17:52 CDT, the pressure at Granger measured 1201 psig, meaning the replaced pipe segment pressure would have been in excess of 1136 psig.

On May 16, 2007 during an annual review of maximum operating pressures, BP/Amoco discovered that the pipe segment replaced at MP 74.46 would have allowed only an 1136 psig maximum operating pressure. BP/Amoco did not have controls in place to limit the pressure to the maximum operating pressure of the MP 74.46 pipe. The maximum operating pressure at Whiting was immediately reduced to 1310 psig, which would assure that the pressure at MP 74.46 would not exceed 1136 psig under a worst case scenario (no downstream pump stations operating). The high pressure shutdown control setpoint was reduced from 1490 psig to 1360 psig at this time also. This pipe segment was removed on July 17, 2007 with a pipe pressure tested to 1800 psig, which would allow the pipeline to return to a maximum operating pressure of 1440 psig.

2. **§195.422 Pipeline Repairs**

- (b) **No operator may use any pipe, valve, or fitting, for replacement in repairing pipeline facilities, unless it is designed and constructed as required by this part.**

BP/Amoco failed to replace a portion of the Whiting to River Rouge pipeline in August 2005 with a segment of pipe that was designed and constructed as required by Part 195.

On August 26, 2005, a segment of pipe was replaced at MP 74.46 on the Whiting to River Rouge pipeline in a repair project. BP/ Amoco used pre-tested pipe to replace existing pipe. BP/Amoco failed to properly design and construct this replacement in that BP/Amoco selected and installed pre-tested pipe that was not qualified for use based on the maximum operating pressure limitation of the pressure test on the pre-tested pipe. Acceptable design and construction with pre-tested pipe is highly dependent on the selection and installation of properly qualified materials in the replacement. The replacement pipe installed had not been pressure tested to a pressure to meet the maximum operating pressure of the pipeline. This segment of pipe was pressure tested to 1420 psig, which would have allowed a maximum operating pressure of 1136 psig. The current maximum operating pressure of the line at the time was 1440 psig. BP/Amoco operated the line from August 26, 2005 to May 16, 2007 with overpressure protection controls set for a maximum operating pressure of 1440 psig. On May 16, 2007 during an annual review of maximum operating pressures, BP/Amoco discovered that the pipe segment replaced at MP 74.46 would have allowed only an 1136 psig maximum operating pressure at MP 74.46. The maximum operating pressure at Whiting was immediately reduced to 1310 psig, which would assure that the pressure at MP 74.46 would not exceed 1136 psig under a worst case scenario. The high pressure shutdown control setpoint was reduced from 1490 psig to 1360 psig at this time also. This pipe segment was removed on July 17, 2007 with a pipe pressure tested to 1800 psig, which would allow the pipeline to return to a maximum operating pressure of 1440 psig.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of \$52,600 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$26,300
2	\$26,300

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 3-2009-5002** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Ivan A. Huntoon  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration

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