

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

October 21, 2009

Mr. Rod E. Sands  
President & CEO  
Explorer Pipeline Company  
Autumn Oaks Building, Suite 300  
6846 South Canton Avenue  
Tulsa, OK 74136

**CPF 3-2009-5018**

Dear Mr. Sands:

On May 19-23, 2008, June 2-6, 2008, and June 9-12, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Explorer Pipeline Company records and field facilities in Missouri, Illinois, and Indiana.

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. §195.573 What must I do to monitor external corrosion control?**
  - (a)(1) Conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months.**

Explorer Pipeline Company did not conduct any tests on the protected pipeline segments to monitor external corrosion control at least once each calendar year, but with intervals not exceeding 15 months. According to documents reviewed, Explorer did not monitor external corrosion control on the St. Louis Meter Station to J.D. Street West Line for 4 years (2004, 2005, 2006, and 2007) for test station 5+45 and 6 years (2002, 2003, 2004, 2005, 2006, and 2007) for test station 9+53. The records reviewed also indicated that the St. Louis Meter Station to J.D. Street East Line had not been monitored for external corrosion control for 3 years (2004, 2005, and 2006) at test station 5+45.

**2. §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 Pipeline Company did not correct deficiencies identified during the annual monitoring of external corrosion control. The records reviewed indicated that Explorer did not take corrective action for deficient cathodic protection readings that did not meet acceptance criteria.

Records on the St. Louis Meter Station to J.D. Street West Line for test stations 5+45 and 10+12:

- Test station 5+45 had “0” readings which indicate no readings were taken for 4 years (2004, 2005, 2006, and 2007). In addition at test station 5+45, there were readings below the NACE acceptance criteria of -0.850 volts for 2 years (2002 and 2003). Therefore, the West Line at test station 5+45 was deficient for 5 consecutive years after identified.
- Test station 10+12 had readings below the NACE acceptance criteria of -0.850 volts for 6 years (2002, 2003, 2004, 2005, 2006, and 2007).

Records on the St. Louis Meter Station to J.D. Street East Line for test station 5+45, 9+53, and 10+12:

- Test station 5+45 had “0” readings which indicate no readings were taken for 3 years (2004, 2005, and 2006). In addition, at test station 5+45, there were readings below the NACE acceptance criteria of -0.850 volts for 3 years (2002, 2003 and 2007). Therefore, the East Line at test station 5+45 was deficient for 5 consecutive years after identified.
- Test stations 9+53 and 10+12 on the East Line had readings below the NACE acceptance criteria of -0.850 volts for 6 years (2002, 2003, 2004, 2005, 2006, and 2007).

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 \$78,800 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$39,400
2	\$39,400

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 3-2009-5018** 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*