

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 29, 2009

Mr. Wes Christensen
Vice President
Oneok NGL Pipeline LP
2001 South Highway 81
Tulsa, OK 73759

CPF 3-2009-5007

Dear Mr. Christensen:

On April 16-20, 2007, April 23-27, 2007, April 30 – May 3, 2007, May 14-18, 2007, June 4-8, 2007, July 10-13, 2007, July 23-26, 2007, and Dec. 17-19, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Line 5 Construction Project near Hutchinson, KS and Argonia, KS.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

- 1. §195.561 When must I inspect pipe coating used for external corrosion control?**
 - (a) You must inspect all external pipe coating required by Sec. 195.557 just prior to lowering the pipe into the ditch or submerging the pipe.**
 - (b) You must repair any coating damage discovered.**

Oneok NGL Pipeline LP failed to adequately repair coating damage discovered prior to lowering the pipe into the ditch.

Oneok NGL Pipeline LP construction specification required the use of the vendor's, 3M patch stick, application instructions. Construction personnel failed to follow these instructions which require preheating the parent-coating surface and avoiding heat application directly to the patch stick. During field inspection, PHMSA's inspector witnessed patch stick application by directly heating the stick, then placing melt onto the pipe. The application of coating repair patch sticks was improperly applied by Oneok NGL Pipeline LP for 27.19 miles between Bushton, KS and pipeline station 610+00 (Sec 36, T20S, R7W).

Proposed Compliance Order

With respect to item number 1, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Oneok NGL Pipeline LP. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 3-2009-5007** 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

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

PROPOSED COMPLIANCE ORDER

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

1. In regard to Item Number 1 of the Notice pertaining to the inadequately repaired coating damage, Oneok NGL Pipeline LP is to run an in line inspection tool (ILI) that is capable of determining metal loss. This tool run shall be made at least once every 3 years for a period of 9 years beginning in 2009. The ILI should cover the 27.19 miles between Bushton, KS and pipeline station 610+00 (Sec 36, T20S, R7W). Oneok NGL Pipeline LP should also integrate the ILI data into its cathodic protection program. Where areas of metal loss are identified by ILI, those areas are to be excavated, evaluated, and repairs made to coating and/or pipe as necessary to remediate corrosion.
2. The ILI schedule must be submitted within 30 days of receipt of the Final Order.
3. Oneok shall make the results of these tool run(s) and evaluation(s), as well as information on the types and date of repairs that are made, available to the Director, Central Region. The reports are to be filed on a quarterly basis for each survey period involved.
4. Oneok NGL Pipeline LP shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Ivan A. Huntoon, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.