



ONEOK NORTH SYSTEM, L.L.C.

A SUBSIDIARY OF ONEOK PARTNERS, L.P.

RECEIVED DEC 3 2009

November 30, 2009

Mr. Ivan Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
Central Region Office
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

RE: CPF 3-2009-5019

Dear Mr. Huntoon:

ONEOK North System L.L.C. respectfully submits this response to the subject Notice of Probable Violation and Proposed Compliance Order, received by ONEOK on October 28, 2009.

The Notice states that a probable violation of 49CFR Part 195.403(b), 195.404(a), 195.412(a), and 195.420(b) was identified during inspections conducted by representatives of the Pipeline and Hazardous Materials Safety Administration on April 8-10, June 7-12, and July 20-23, 2009.

Please be aware that references to both Kinder Morgan and ONEOK O&M Manual documentation processes are discussed in the following responses. This is not, in any way, an attempt to lessen ONEOK's operating and compliance accountability, or to place blame with another operator. The information is provided only in an attempt to clarify each issue, since the dates listed in the NOPV span the period where ownership and operation was transferred from Kinder Morgan to ONEOK.

Notice of Probable Violation:

1. **Part 195.403(b)** – Emergency response training
 - (b) At intervals not exceeding 15 months, but at least once each calendar year, each operator shall:
 - (1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section;

In the Morris area, ONEOK personnel exceeded the 15 month criteria for reviewing the Emergency Manual. Review of the emergency response training records identified that the review of the site specific emergency plan for Morris exceeded the 15 month criteria. The review dates noted were 1/31/2007 and 11/18/2008.

ONEOK Response to Item 1

ONEOK compliance and operation personnel have reviewed documentation related to this item. It appears that not all documentation related to facility Emergency Response Manual review was provided for PHMSA's review during the inspection.

- The Kinder Morgan Emergency Response Manual review process included two separate reviews.
 - The Emergency Response Manual Procedure Certification – A review and certification by the appropriate facility supervisor which includes the following language on the certification sheet:
 - I certify by signing below that the above referenced facility Emergency Response Manual has been reviewed and to the best of my knowledge is current and accurate as of the above documented date. The manual is being further reviewed and modified as applicable with local operations review.
 - The Emergency Response Plan Review by Employees – A review conducted with the local facility operation employees which includes the following task instructions on the documentation form:
 - Annually employees will review the Morris Emergency Response Plan for accuracy.
 - Any and all changes or revisions will be passed along to the Compliance Specialist for updates to the plan.
 - The revisions/updates will be communicated out to all Morris employees for approval.
 - This task does not require a permit
- Between January 31, 2007 and November 18, 2008, the subject facility emergency response manual review documentation includes:
 - January 31, 2007 - Emergency Response Manual Procedure Certification signed by Dan Tasharski
 - July 18, 2007 – Emergency Response Plan Review by Employees signed by employees and dated (11 employees reviewed the document in March 2007 and 4 employees reviewed the document in July 2007 – final documentation was completed on the July date listed).
 - July 31, 2008 – Emergency Response Plan Review by Employees signed by employees and dated
 - November 18, 2008 – Emergency Response Manual Procedure Certification signed by Glenn Mueller
- As of January 2009 the subject assets have been converted from the work management system used by Kinder Morgan (MP2) to the ONEOK work

management system (MAXIMO). A MAXIMO version upgrade that began earlier this year is in the final stages of completion. ONEOK compliance and work management personnel are currently reviewing similar work orders to ensure future target dates are in compliance and that appropriate job plan descriptions are in place.

2. Part 195.404 – Maps and records

(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information:

(1) Location and identification of the following pipeline facilities:

- (i) Breakout tanks
- (ii) Pump stations
- (iii) Scraper and sphere facilities
- (iv) Pipeline valves
- (v) Facilities to which 195.402 (c) (9) applies
- (vi) Rights-of-way
- (vii) Safety devices to which 195.428 applies

(2) All crossings of public roads, railroads, rivers, buried utilities, and foreign pipelines.

ONEOK personnel did not map foreign line crossings that were installed over a year ago. As of the inspection date, the crossings were still not mapped. Also, in the Conway area it was noted that a new bypass line, put in at the Halstead Station, was not updated on the station drawings.

Review of ONEOK's Inspection and Investigation (I&I) reports noted that there were several line crossings in all three units that were not updated on the Company's alignment sheet. Additionally, during the field inspection of the Halstead Station, it was noted that a new bypass was put in. Review of the drawings for the station found that this section had not been updated on the drawings. The new bypass was installed over a year ago. Your personnel indicated that the acquisition of the North System assets by ONEOK played a role in the backlog of updates.

ONEOK Response to Item 2

ONEOK compliance, operation, and GIS mapping personnel have reviewed documentation related to this item and found the following:

- ONEOK PRC 1525.150 Alignment Sheet Process, (referenced by O&M) provides the process for alignment sheet updates, validation, and versioning.
- All procedures were followed by field personnel and the required Input Data Submission Forms (IDSFs) were submitted. However, all of the missing crossing reports were located in a different electronic folder than was specified.
- Crossing reports and updates in question have been identified and alignment sheet drawings updated through the normal process.

- Two GIS personnel are currently assigned to manage the IDSFs on a rotating weekly schedule, resulting in changes from the field being processed weekly.
- Updates are being completed within the 60 day target prescribed by the ONEOK process.

3. **Part 195.412 – Inspection of rights-of-way and crossings under navigable waters.**
- (a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying, or other appropriate means of traversing the right-of-way.
- ONEOK did not adequately patrol areas of their ROW due to high growth of trees and brush. Aerial patrol is what is utilized to meet this requirement, however, in these areas; no other form of patrol was done.

During the field inspection, it was noted that on Line 105, at approximately MP 554 or 555, there was approximately 300 to 400 feet of trees that covered the ROW. Additionally, on the 106W line, there were two areas where the ROW was not clear of trees and brush. Those areas were noted at Smith Rd. near Wayne Station and the second was at Batavia Rd. Although these areas are relatively short sections, they still need to be addressed when aerial patrol is the only method utilized for patrolling.

ONEOK Response to Item 3

ONEOK compliance, operations, and damage prevention personnel have reviewed the ROW condition at the subject locations and reviewed documentation from the ONEOK ROW surveys. Actions taken, planned, and the related discussion follows:

- Two of the subject areas have been cleared.
- One area (Butterfield Rd. – note correction from above) has been partially cleared, and the clearing of remaining canopy will be completed this winter when freezing weather will improve access and help minimize damage to the marsh area.
- A work order has been generated to ensure a ground patrol is completed per regulations, until the clearing can be completed, and aerial patrol can be resumed. (Butterfield Rd. area)
- The Damage Prevention Supervisor has reviewed the expectations of the ONEOK Aerial Patrol Technical Guideline, with the contract patrol pilot. On future flights, the pilot will identify areas where canopy could interfere with patrol pilot visibility.
- The information from the initial on-ground surveys (discussed below) has been reviewed. The subject areas were not identified as needing clearing.

The failure to identify this area in the survey has been discussed with the contractor.

ONEOK has been aggressive in surveying and clearing pipeline rights-of-way since beginning operation of these assets in October 2007. Per the ONEOK NGL ROW survey process, all 1631 miles of pipeline ROW, except for a few flooded miles, were walked prior to July 2008. The remaining areas were

surveyed as conditions allowed. The objective of the on-ground survey was to identify and prioritize ROW that should be cleared, identify exposed lines, and record depth of cover for pipeline sections in critical areas. Since beginning to operate the subject assets in October 2007, ONEOK spent \$435,000 on the initial walking surveys, and approximately \$ 1,250,000 on ROW clearing, erosion control, and exposure repairs. Clearing will continue during 2010.

4. Part 195.420 – Valve Maintenance

(b) Each operator shall, at intervals not exceeding 7.5 months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

ONEOK personnel exceeded the allowable 7.5 month inspection interval on several emergency valves in the Lemont area. On the 106 line in Lemont, there were 9 valves that exceeded the allowable 7.5 month inspection cycle. The time frame noted was 8/9/07 for one inspection and 4/3/08 for the following inspection.

Also, in the Morris area, on Line 316, it was found that Valve 1 and 1A were not operated during the 4/22/08 inspection because the line was in operation. Valve 1A was not operated during the 10/2/08 inspection because the line was in operation. The technician did not schedule a time or go back at a later date to operate the valve(s) when the line was down.

ONEOK Response to Item 4

ONEOK compliance and operations personnel have reviewed valve inspection documentation and determined the following:

- Valve inspection records for PL106 in Lemont do show that 9 valves were inspected 10 days past the 7.5 month target date, and the indicated valves on PL316 were not operated during the referenced inspections.
- The Kinder Morgan work management system (MP2) was still in effect and ONEOK had not completed the transition to MAXIMO.
- While work orders were in place in MP2, they were not assigned to an individual, but to a work group.
- In the ONEOK work management system, now in place, work orders are assigned to individuals, so that accountability and ownership is clear.

- The Operation Manager has re-addressed expectations around timing, operation of valves during inspection, and writing appropriate follow-up work orders per the ONEOK procedures and job plan.

Proposed Compliance Order:

1. Pertaining to inspection of the surface conditions on or adjacent to the pipeline right-of-way, provide to Ivan A. Huntoon, Director, Central Region, Pipeline and Hazardous Materials Safety Administration, 901 Locust Street, Room 462, Kansas City, MO 64106 a plan and schedule of action for clearing the right-of-way where aerial patrolling will be utilized.
2. The plan must identify sections of pipeline right-of-way throughout the system that are overgrown and will remain overgrown for a period of time while awaiting clearing. For these sections, ONEOK must provide an alternate means to aerial patrolling in order to comply with inspection of the surface conditions on or adjacent to the pipeline right-of-way as required by 195.412
3. Provide the plan and action schedule within 30 days from the date of receipt of the Final Order.
4. Implement the plan and schedule required by items 1 and 2, above, within 60 days from the date of receipt of the Final Order.
5. ONEOK 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, 901 Locust Street, Room 462, Kansas City, MO 64106. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total costs associated with replacements, additions, and other changes to pipeline infrastructure.

ONEOK Response to Proposed Compliance Order

Per the Proposed Compliance Order, the actions already completed and those planned are as follows:

- The subject areas (NOPV Item 3) have been cleared. The clearing of two of the areas is complete, and the clearing of remaining canopy at the Butterfield Rd. site (note correction from NOPV Item 3) will be completed this winter when freezing weather will improve access and help minimize damage to the marsh area.
- A work order has been generated to ensure that a ground patrol is completed per regulations, until the clearing can be completed, and aerial patrol can be resumed. (Butterfield Rd. area)

- The Damage Prevention Supervisor has reviewed the expectations of the ONEOK Aerial Patrol Technical Guideline, with the contract patrol pilot. On future flights, the pilot will identify areas where canopy could interfere with patrol pilot visibility.
- The patrol pilot has completed an additional aerial screening evaluation and identified areas where canopy requires additional evaluation by ONEOK operation and damage prevention personnel.

- 15 work orders have been assigned to operation personnel to conduct further evaluation of canopy conditions that were identified by the patrol pilot, with a target date of December 19, 2009. Once additional information is gathered, the Operation Manager and Damage Prevention supervisor will determine which of the following actions is appropriate, for each area:
 1. ROW does not need additional clearing. No further action required.
 2. ROW does need additional clearing, but does not affect ability to patrol from the air. A work order will be written for ROW clearing based on priority and aerial patrols will continue as normal.
 3. ROW does need additional clearing, and can not be effectively patrolled from the air. A work order will be written for ROW clearing based on priority. In addition, a work order will be written for the completion of an on-ground ROW patrol, to remain in affect until the ROW is cleared.
- Evaluations are already underway and clearing has begun in some areas.
- Details to meet the expectation of Item 2 and Item 3 of the Proposed Compliance Order are being determined in the steps outlined above. ONEOK proposes to provide your office with the details per Item 2 and Item 3 no later than Jan 15, 2010. Jan 15 is proposed based on the target dates for the evaluation work orders and consideration of the reality of seasonal schedules.
- Per Item 4, ONEOK has already begun implementation of the plan to address any required action.
- Per Item 5, ONEOK will track and report safety improvement costs as requested.

If there are any questions related to this response or to the details of the proposed integrity management plan, please contact Bill Bromley at 918-588-7615, 918-284-6718, or by email at bill.bromley@oneok.com.

Sincerely,



Wes Christensen
Senior Vice President, Operations
ONEOK NGL Pipeline L.P.