



U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

8701 South Gessner, Suite 1110  
Houston, TX 77074

## WARNING LETTER

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

April 2, 2008

Mr. Ron McClain  
Vice President of Operations  
SFPP, L.P.  
500 Dallas Street, Suite 1000  
Houston, TX 77002

**CPF 4-2008-5010W**

Dear Mr. McClain:

On April 22-27, 2007, and July 10-12, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected a portion of your SFPP Pipeline system in Texas and New Mexico and the control center in Orange, California.

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. **195.308 Pipe associated with tie-ins must be pressure tested, either with the section to be tied in or separately**

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

- (4) The diameter, grade, type and nominal wall thickness of all pipe.**

The operator has records showing that a pressure test for several numbered joints of pipe was certified by the California State Fire Marshall's office and these joint numbers have been recorded on the inside of the pipes held as pre-tested pipe inventory at locations on the pipeline system. However, the operator could not produce records that tie the pre-tested pipe inventory

to a mill specification or original purchase order showing the pipe characteristics, including diameter, wall thickness, and yield strength.

2. **195.505 Each operator shall have and follow a written qualification program. The program shall include provisions to: (b) Ensure through evaluation that individuals performing covered tasks are qualified;**

The operator presented records showing that atmospheric corrosion inspections for the above-ground valve components were performed as part of the mainline valve inspections. However, according to the SFPP operator qualification program records, the valve inspector was not qualified to perform atmospheric corrosion inspections.

3. **195.583 (b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.**

A partially buried valve at Lordsburg Maintenance Building (MP 159) had a loose wrap at the air/soil interface exposing the metal to the soil. Also, the supporting span crossing the Rio Grande River had peeling paint and evidence of corrosion.

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. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in SFPP being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2008-5010W**. 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).

Sincerely,



R. M. Seeley  
Director, Southwest Region  
Pipeline and Hazardous  
Materials Safety Administration