

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 16, 2012

Mr. Jim Barnum,
Vice-President, HES, Services & Standards
Chevron Pipe Line Company
4800 Fournace Place
Bellaire, TX 77401

CPF 4-2012-5013

Dear Mr. Barnum:

On September 8-11 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code investigated an accident that occurred on September 8, 2011, on Chevron's (CPL) West Texas 10-inch LPG pipeline. The failure location was approximately 40-feet west of CPL's 148.8 block valve located in Mitchell County, Texas.

As a result of the accident investigation, 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. § 195.54 Accident reports.

(b) Whenever an operator receives any changes in the information reported or additions to the original report on DOT Form 7000-1, it shall file a supplemental report within 30 days.

CPL failed to file a supplemental report for the West Texas 10-inch LPG pipeline accident that occurred on September 8, 2011, within thirty days after additional information was obtained. CPL received a metallurgical analysis report that provided information on the probable cause of failure in December 2011. The failure occurred at approximate 40 feet west of the MP 148.8 block valve in Mitchell County, Texas. The leak site is 2.7 miles South of Interstate 10 (Exit 200) in Mitchell County.

At approximately 09:39 a.m. on September 8, 2011, CPL reported to the National Response Center a failure on their West Texas 10-inch LPG pipeline. CPL submitted an original accident report (Form 7000-1) to PHMSA (Report #20110380-16107) on October 8, 2011.

The SES Metallurgical Failure Report # PN 1251849 was provided by SES to the operator on or about December 5, 2011. The final supplemental report was filed on March 27, 2012, in response to a verbal request from the Southwest Region.

The final metallurgical failure report with information as to the apparent cause of the accident is considered additional related information.

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 violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$22,500.

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 4-2012-5013** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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