

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 26, 2013

Mr. Wes Christensen
Vice President, NGL Operations
Oneok NGL Pipeline, LLC
100 West Fifth Street
Tulsa, OK, 784102

CPF 4-2013-5020W

Dear Mr. Christensen:

On various dates in 2013, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected construction of your Sterling III pipeline in Oklahoma.

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. §195.222 Welders: Qualification of welders.**
 - (a) Each welder must be qualified in accordance with section 6 of API 1104 (ibr, see § 195.3 or section IX of the ASME Boiler and Pressure Vessel Code, (ibr, see § 195.3) except that a welder qualified under an earlier edition than listed in § 195.3 may weld but may not re-qualify under that earlier edition.**
 - (b) No welder may weld with a welding process unless, within the preceding 6 calendar months, the welder has —**

(1) Engaged in welding with that process; and

(2) Had one welded tested and found acceptable under section 9 of API 1104 (ibr, see § 195.3).

ONEOK did not follow its ONP Welding Manual STD 1602.200 & TG1602.201 section 6.2 Welder Qualification, which requires that “Welders be qualified in accordance with API Standard 1104, Section 6.”

ONEOK used welders that were not properly qualified in accordance with section 6 of API 1104 to construct a portion of the 16-inch Sterling III Pipeline. ONEOK performed welder qualifications on April 9, 2013, for Mr. David A. Uriegas and John Robert Miller using the single qualification provisions in API 1104 section 6.2. According to section 6.2 of API 1104, if an essential welder qualification variable is changed, the welder must be re-qualified. API 1104 section 6.2.2 defines the essential variable groupings for outside diameter pipe to be 12.75-inches or less and greater than 12.75 inches for a welder single qualification. The welder qualifications were performed on 12.75-inch outside diameter pipe but the pipe being used to construct the Sterling III Pipeline is 16 - inch. By qualifying the welders on 12.75 inch diameter pipe using the single qualification provisions, the welders were not qualified to weld on the 16-inch diameter pipe used to construct the 16 inch Sterling III Pipeline.

The welder qualification record for Mr. David A. Uriegas shows that he passed a single qualification test (butt weld) on April 9, 2013. According to the Shaw Pipeline Services nondestructive testing report, Mr. Uriegas welded Sterling III 16-inch pipe on April 20, 2013. Mr. Uriegas’ welder qualification record indicates he then passed a branch weld qualification test on April 28, 2013. While this test and the butt weld qualification test previously passed qualify the welder to weld on any diameter pipe, the second test was passed after completing at least five welds on the Sterling III 16-inch pipe, making Mr. Uriegas unqualified to make these production welds on the 16-inch pipe. Similarly, Mr. John Robert Miller passed a single qualification test on April 9, 2013. According to the Shaw Pipeline Services nondestructive testing report, Mr. Miller welded Sterling III 16-inch pipe on April 12, 2013. Mr. Miller also subsequently passed a branch weld qualification test on April 20, 2013, but according to the provisions of API 1104 was not qualified to make production welds on the 16-inch pipe on April 12, 2013. There are no provisions in Part 195 or API 1104, incorporated by reference, allowing a welder to retroactively pass a qualification test and then claim previous welds made as an unqualified welder are acceptable.

2. §195.202 Compliance with specifications or standards.

(a) Each pipeline system must be constructed in accordance with comprehensive written with comprehensive specifications or standards that are consistent with the requirements of this part.

Oneok did not follow its NGL O&M coating procedure. There were several locations in which the contractor did not follow Oneok coating specifications. Specifically, weld blankets were not being utilized to protect the existing coating on the pipe to prevent weld splatter from damaging the coating. Oneok's NGL O&M section 2.11 states that all coating used or recommended shall meet at the minimum the requirements of 195.557 which is as follows:

(a) Each external protective coating, whether conductive or insulating, applied for the purpose of external corrosion control must:

(1) Be applied on a properly prepared surface;

(2) Have sufficient adhesion to the metal surface to effectively resist under film migration of moisture

During the PHMSA inspection, it was noted that several girth welds had coating damage due to weld splatter. Good construction procedures require coatings on piping to be protected to minimize damage that may result from the welding operations which was not being followed by the contractor.

3. §195.234 Welds: Nondestructive testing.

(a) Procedures for the proper interpretation of each weld inspection must be established to ensure the acceptability of the weld under §195.228.

Oneok did not have procedures to thoroughly address the new Real Time Radiography (RTR) processes being used.

Observations of the Shaw RTR digital X-ray system on ONEOK Sterling III in Durant, OK revealed the following deficiencies which should be addressed in construction procedures:

Your procedures must include potential problems associated with electrical interference and noise (e.g. high voltage lines, induction heating, welding), severe environmental conditions (e.g. shock, dust, mud, rain, moisture, temperature extremes), appropriate limits for radiographer to adjust system parameters, user error, software bugs, and mechanical failures.

Procedural methods need to be developed to mitigate the potential for thermal shutdown based on the following observations. The mainline RTR crew (single wall system) was placing ice on the system to cool it down to avoid thermal shutdown. The system was at 33 degrees Celsius (91 degrees Fahrenheit) and shutdown occurs at 35 degrees Celsius (95 degrees Fahrenheit). The weather was sunny and 91 degrees Fahrenheit. As the project proceeds, hotter days may pose a problem. The mainline crew stated if the single wall system overheats, they will use the double wall system. Higher temperatures increase sensor noise, which degrades the image. The procedure need to address this in a way to ensure consistent implementation.

Oneok should review their RTR procedures to ensure all other procedural requirements necessary for the consistent and reliable use of RTR technology.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. Also, for LNG facilities, an additional penalty of not more than \$50,000 for each violation may be imposed. 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 Oneok NGL Pipeline, LLC 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 4-2013-5020W**. 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