

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 30, 2014

Bill Boyer
President
Centurion Pipeline, L.P.
5 Greenway Plaza, Suite 110
Houston, TX 77046

CPF 4-2014-5025

Dear Mr. Boyer:

On January 30, 2014, Centurion Pipeline Company, L.P. (Centurion) experienced an excavated related accident on its Snyder-to-Post 8-inch line near Snyder, TX. As a result of this accident, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code conducted an accident investigation and performed an inspection of your related Damage Prevention practices.

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. §195.404 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; and**
 - (vii) **Safety devices to which §195.428 applies.**
- (2) **All crossings of public roads, railroads, rivers, buried utilities, and foreign pipelines.**
 - (3) **The maximum operating pressure of each pipeline.**
 - (4) **The diameter, grade, type and nominal wall thickness of all pipe.**

Centurion did not maintain a current map of the 8-inch Snyder-to-Post crude pipeline system at milepost 3.63, as required by §195.404. On January 30, 2014, Centurion's incorrectly marked pipeline, ¼ miles Northwest of the City of Snyder, (Scurry County) Texas, was damaged while excavation was being performed in the area by an excavator. Maps used to temporarily mark the 8-inch pipeline prior to excavation, indicated the pipeline was south of a parallel 6-inch pipeline, also operated by Centurion. The accurate location of the 8-inch pipeline at milepost 3.63 was discovered to be north of the 6-inch within the same right-of-way.

ADB-02-03 issued by DOT advised owners and operators to review information and mapping systems for accurate and useable information. The existing mapping data for the 8-inch pipeline was not confirmed to be accurate by Centurion.

2. §195.442 Damage Prevention Program.

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:

- (5) Provide for temporary marking of buried pipelines in the area of excavation activity before, as far as practical, the activity begins.**

Centurion failed to provide accurate temporary markings of the Snyder-to-Post 8-inch pipeline at MP 3.63 in Scurry County, Texas. Prior to the start of excavation, the Snyder-to-Post line was temporarily marked by Centurion personnel in response to a one-call request received in November 2013. On January 30, 2014, the pipeline was punctured with excavation equipment by a third-party contractor, causing an estimated 475 barrels to be released to the environment.

During the investigation, it was discovered the pipeline was twice mismarked by personnel. The first instance occurred during the initial response to the one-call request on November 12, 2013. The initial marking was performed with the assistance of electronic maps and locating equipment (Radio Detection RD8000 locator) available to Centurion personnel. The second occurrence took place during excavation activities on January 30, 2014 after field personnel recognized the erroneous markings, and attempted to accurately mark the lines by exposing the pipelines. An unaccounted for 8-inch pipeline discovered during excavation was incorrectly marked as belonging to Centurion. As the third party contractor was excavating this line, the unmarked Snyder-to-Post 8-inch was damaged.

Proposed Civil Penalty

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. 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 \$165,600 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 21,600
2	\$144,000

Proposed Compliance Order

With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Centurion Pipeline, L.P. 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. All material you submit in response to this enforcement action may be 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 4-2014-5025** 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: *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 Centurion Pipeline, L.P. (Centurion) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Centurion with the pipeline safety regulations:

1. In regard to Item 1 of the Notice pertaining to maps of the Snyder-to-Post pipeline, Centurion must revise/update information and mapping systems for the Snyder-to-Post 8-inch pipeline from milepost 0 through 5 to accurately reflect the location and identification of the pipeline facilities.
2. Provide PHMSA with documentation that verifies completion of Item 1 within 90 days following the receipt of the Final Order.
3. It is requested (not mandated) that Centurion maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs 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.