



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

SENT TO COMPLIANCE REGISTRY

Hardcopy Electronically

of Copies 1 / Date 12/11/07

12300 W Dakota Ave , Suite 110
Lakewood, CO 80228

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 11, 2007

Mr. Craig Forsander
Vice President
ONEOK
100 West 5th Street
Tulsa, OK 74103

CPF 5-2007-5043

Dear Mr. Forsander:

On April 25 to 27, 2006, June 13, 2007 and July 18, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Riverview pipeline at your Grass Lands Complex in North Dakota.

As a result of the inspection, 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. **§195.310 Records.**
 - (a) **A record must be made of each pressure test required by this subpart, and the record of the latest test must be retained as long as the facility tested is in use.**
 - (b) **The record required by paragraph (a) of this section must include:**
 - (1) **The pressure recording charts;**
 - (2) **Test instrument calibration data;**

- (3) The name of the operator, the name of the person responsible for making the test, and the name of the test company used, if any;**
- (4) The date and time of the test;**
- (5) The minimum test pressure;**
- (6) The test medium;**
- (7) A description of the facility tested and the test apparatus;**
- (8) An explanation of any pressure discontinuities, including test failures, that appear on the pressure recording charts; and,**
- (9) Where elevation differences in the section under test exceed 100 feet (30 meters), a profile of the pipeline that shows the elevation and test sites over the entire length of the test section.**
- (10) Temperature of the test medium or pipe during the test period.**

The latest pressure test records for the Riverview pipeline do not include a record of the test instrument calibration data, the minimum test pressure, the test medium, a description of the facility tested including the test apparatus, an explanation of any pressure discontinuities including test failures that appear on the pressure recording charts, and where elevation differences in the section under test exceed 100 feet (30 meters) a profile of the pipeline that shows the elevation and test sites over the entire length of the test section.

The Riverview pipeline pressure test records consisted of one pressure/temperature recording chart showing a 24-hour test. Operations personnel labeled this chart “McKenzie to Riverview.”

Proposed Compliance Order

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Bear Paw Energy. Please refer to the *Proposed Compliance Order* that 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. 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 5-2007-5043** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 G. Davis (#116825 & #119570)

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Bear Paw Energy (BPE) a Compliance Order incorporating the following remedial requirements to ensure the compliance of BPE with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the latest pressure test for the Riverview pipeline, BPE must complete one of the following directives:
 - a) Provide documentation of the latest pressure test for the Riverview pipeline that includes all of the requirements of §195.310.
Or
 - b) Complete a pressure test for all or segments of the Riverview Pipeline that do not have documentation meeting §195.310 and provide documentation of the test.
Or
 - c) Lower the Maximum Operating Pressure (MOP) to a level that is the lesser of:
 - 1) 80% of the highest operating pressure to which the pipeline was subjected for 4 or more continuous hours that can be demonstrated by recording charts or logs made at the time the operations were conducted as per §195.406(a)(5).
Or
 - 2) A pressure that will insure that 20% of the Specified Minimum Yield Strength (SMYS) will not be exceeded as per §195.302(b)(1)(iv).
And
 - 3) Lower all set points for pressure controls and pressure protection at a pressure that will insure that 110% of the new MOP will not be exceeded during surges or other variations.
And
 - 4) Provide documentation showing calculations and or documentation of the new MOP and new set points for pressure controls and pressure protection.
2. BPE has 60 days to provide valid pressure test documentation to support either option a), b) or c) to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration after the Final Order has been issued.
3. BPE shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.