

Anadarko Petroleum Corporation
1201 Lake Robbins Drive
The Woodlands, TX 77380

March 16, 2009

US Department of Transportation
Pipeline and Hazardous Materials Safety Admin
12300 W. Dakota Ave.; Suite 110
Lakewood, CO 80228

RE: Notice of Amendment CPF 5-2009-5006M

Dear Mr. Hoidal:

Stated in the Notice of Amendment, CPF 5-2009-5006M, integrity management (IM) procedure inadequacies were identified in the APC Integrity Management Plan during the September 24, 2008 Wamsutter Crude Oil Pipeline audit.

The modifications to the procedures in the Wamsutter Pipeline Integrity Management Program are as follows:

Item #1 PHMSA identified issue

1. "The APC procedures are inadequate for ensuring the qualification of their IM reviewer and/or evaluator. The procedures do not specify the level of qualifications the IM reviewer and/or evaluator must have to adequately review and analyze the assessment results, e.g. in-house IM team and hydrotest engineer."

Item #1 APC modified procedure

Section 4.4.12

An evaluation team that is knowledgeable of pipeline operations and good industry practices will evaluate the assessment. The members of the evaluation team will be consistent with the complexity of the assessment. This evaluation team may consist of the pipeline foreman, a pipeline operator, consultants knowledgeable of the assessment methodology, engineers knowledgeable of the pipeline

operation and a representative of the company environmental, health and safety department.

Section 4.4.7

The review and analysis of information will be conducted by individuals qualified to evaluate this information and appropriately identify issues which will be included in the ongoing mechanical integrity program. Individuals who will participate in this review may be the pipeline foreman, pipeline operators, engineers, contractors or consultants. These individual's qualifications will be commensurate with the complexity of the analysis and included in the review documentation. Recommendations and results of each review will be approved by the senior local manager.

Item #2 PHMSA identified issue

2. "The APC has a risk based analysis process from an original framework of their IM program that was used in a Subject Matter Expert (SME) setting. The APC procedures are inadequate to ensure a more comprehensive and robust risk model that consider all required risk factors on their pipeline, e.g. data driven risk model."

Item #2 APC modified procedure

Section 4.4.7

Incumbent with ensuring continued Mechanical Integrity is the ongoing analysis of information gathered about the pipeline. Information may include analysis of assessments and data obtained as a part of compliance with other parts of 49 CFR 195 (exposed pipe inspections, cathodic surveys, patrols, excavation activities etc.) APC will utilize available sources to gather information and will analyze this information on a continuing basis. The information that is gathered will be input into a risk model that uses safety data along with expert judgment to identify and weigh risk factors. Furthermore, the results of ongoing risk analysis will be communicated to individuals and managers responsible for the continual implementation of the Mechanical Integrity Program. A complete analysis of information will occur on an annual basis and will be documented..

Information that will be analyzed on a continuing basis includes:

- *Leak investigation*
- *Results of Cathodic Surveys – (specifically trending of cathodic survey results)*
- *Exposed pipe reports*
- *Analysis of coupons utilized for internal corrosion monitoring*

- *Excavation activity within the pipeline area*
- *Surface conditions along the pipeline ROW*
- *Pressure excursions outside normal operating ranges*
- *Information provided by industry groups on new technology*
- *Information provided by industry on incidents*
- *Physical investigation of the HCAs during annual patrols/surveys*

Item #3 PHMSA identified issues

3. “The process description to identify additional preventive and mitigative actions did not show how the IM projects are integrated into the risk model process. The APC procedures are inadequate to ensure a more comprehensive and robust process to identify additional preventive and mitigative measures (P&MM).”

“The APC procedures are inadequate for defining and ranking P&MM for their pipeline in the IM program. This is important to ensure future preventive and mitigative decisions are made in a consistent and risk-based manner.”

Item #3 APC modified procedure

Section 4.4.12

After the current risks have been identified and prioritized, a review of the current preventive and mitigative measures and their implications for the current risks will be considered. Based on current risks a prioritization of additional preventive and mitigative measures will be prepared.

All conditions determined to have an affect on the safety of the public or impact the environment will be further investigated and appropriate changes to the operation of the pipeline or repairs to the pipeline will be made according to timeframes established in other parts of this Plan. If any substantive changes to the plan or significant conditions are found during the review, upper management will be informed.

Item #4 PHMSA identified issue

4. “The APC procedures are inadequate for addressing the pipe conditions and location-specific integrity threats. The procedures do not specify what additional safety measures and/or evaluation methods will be used to ensure the safety condition of their pipeline.”

Item #4 APC modified procedure

Section 4.4.9

Wamsutter will conduct assessments on a five-year interval unless evaluation dictates otherwise. Currently the assessment method selected for this pipeline will be a pressure test conducted in accordance with Subpart E. APC may elect to utilize other assessment methods if warranted. Additionally, as a result of information analysis or as a result

of changing conditions along the pipeline, APC may elect to perform other assessments at a more frequent interval, but not longer than five years.

Weight loss coupon analysis will be used as a primary determinant if assessments need to be more frequent than 5 years. Coupons will be reviewed each year during a risk factor review and update.

Item #5 PHMSA identified issue

5. "The APC procedures do not specify the IM program evaluations as required by Part 195.452(f)(7) and the method to perform an effective evaluation of the IM program. In addition, the procedures do not specify the collection of performance metric data at a frequency that will provide timely evaluations of the IM program."

Item #5 APC modified procedure

Section 4.4.11

The IM Program will be reviewed annually for effectiveness. The review will be scheduled and documented utilizing an electronic database that APC is currently using to ensure timely maintenance. During this review, current risks will be evaluated based on the following performance measurements.

Failure measures:

- *Leak history*

Deterioration Measures:

- *Weight loss coupon analysis*
- *Cathodic levels*

Activity Measures:

- *One call effectiveness*
- *Changes in population or other HCA information*
- *Exposed pipe reports*
- *Internal audits for compliance with 49 CFR 195*
- *Review of incidents on the pipeline (relief events, shutdowns, etc.)*

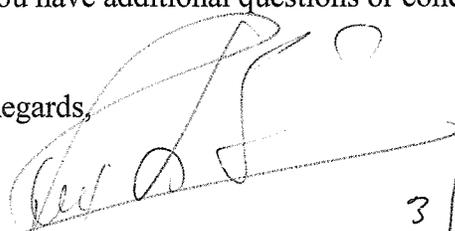
As a result of the IM Program annual review, performance measures will be set for the upcoming year to address any issues which are identified that would affect the integrity of the pipeline.

APC is in the process of updating and improving the IM Program for covered pipelines, which includes allocation of funding and personnel. An example is the creation in 2008 of the position of DOT Compliance Coordinator to more effectively monitor compliance and risk of our DOT pipelines.

To assist with the integrity management of the Wamsutter Pipeline, we are completing a comprehensive risk analysis utilizing Spacial Risk Analyst model (a data driven risk model) to assist with data integration and enable consistent risk based decisions.

Thank you for your time and consideration of the above responses. Please let me know if you have additional questions or concerns.

Regards,



3/23/09

Rex Specht
Operations Manager Rockies Midstream
Anadarko Petroleum Corporation