

OCT 29 2009

Ms. Meg Yeage
President
ConocoPhillips Pipe Line Company
600 North Dairy Ashford
TA 2010
Houston, TX 77079

Re: CPF No. 5-2009-5013

Dear Ms. Yeage:

Enclosed is the Final Order issued in the above-referenced case. It makes a finding of violation and finds that the ConocoPhillips Pipe Line Company has completed the actions specified in the Notice required to comply with the pipeline safety regulations. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Chris Hoidal, Director, Western Region

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7009 1410 0000 2464 5744]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)	
In the Matter of)	
)	
ConocoPhillips Pipe Line Company,)	CPF No. 5-2009-5013
)	
Respondent.)	
_____)	

FINAL ORDER

From August 11-15, 2008, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of the facilities and records of ConocoPhillips Pipe Line Company (CPPL or Respondent) in Montana. CPPL operates over 11,000 miles of crude oil and petroleum products pipelines throughout the United States. The inspection was focused on CPPL's Glacier pipeline system between Billings and Cut Bank, Montana.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated February 19, 2009, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 195.54 and proposed ordering Respondent to take certain measures to correct the alleged violation. The Notice also proposed finding that Respondent had committed certain probable violations of 49 C.F.R. Part 195 and warning Respondent to take appropriate corrective action to address them or be subject to future enforcement action.

CPPL responded to the Notice by letter dated March 6, 2009 (Response). Respondent did not contest the allegation of violation and provided information concerning the corrective actions it has taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.54(a), which states:

§ 195.54 Accident reports.

(a) Each operator that experiences an accident that is required to be reported under § 195.50 shall as soon as practicable but not later than 30 days after discovery of the accident, prepare and file an accident report on DOT Form 7000-1, or a facsimile.

The Notice alleged that Respondent failed to comply with § 195.54(a) by failing to accurately prepare an accident report on DOT Form 7000-1. Specifically, the Notice alleged that CPPL marked its accident report “complete,” when the company had not determined the cause of a leak of crude oil from the Glacier Pipeline on the grounds of the Billings refinery, discovered on October 9, 2007.¹

CPPL did not contest this allegation. In its Response, CPPL explained that it had conducted testing of the pipeline to attempt to determine the location of the leak, but was unable to fully excavate the area due to the presence of other pipes, cement piers, and electrical conduits in the area of the line, and a concrete slab immediately above the line. CPPL explained that the leak was likely caused by external corrosion, brought on by a coating defect that undermined the effectiveness of cathodic protection on the pipe. Respondent stated that it would submit an updated accident report to reflect that external corrosion was the suspected cause of the leak. After the leak, Respondent took the line out of service and filled it with grout.

Respondent should have indicated the cause of the leak in its original accident report. Instead, CPPL listed the cause of the leak as “unknown” and stated that its investigation was “complete.” It is important that CPPL determine the cause of failures so that actions can be taken to prevent similar failures in the future.

Accordingly, I find that Respondent violated 49 C.F.R. § 195.54(a) by failing to accurately prepare an accident report on DOT Form 7000-1. This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 195.54(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director has indicated that Respondent has taken the following actions specified in the proposed compliance order:

On August 25, 2009, CPPL submitted a revision to its accident report to reflect the suspected cause of the Glacier Pipeline leak.

Accordingly, since compliance has been achieved with respect to this violation, the compliance terms are not included in this Order.

¹ See Hazardous Liquid Pipeline System Accident Report No. 20070305, filed with OPS on October 31, 2007.

WARNING ITEMS

With respect to Items 2, 3, 4, 5, 6, and 7, the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.401(b) (Notice Item 2) — Respondent's alleged failure to evaluate the condition of pipe whose coating had been damaged during a pipeline modification project;

49 C.F.R. § 195.402(c)(13) (Notice Item 3) — Respondent's alleged failure to have an adequate process for conducting periodic reviews of the work done by CPPL personnel to determine the effectiveness of operation and maintenance procedures;

49 C.F.R. § 195.420(a) (Notice Item 4) — Respondent's alleged failure to maintain several pipeline valves in good working order by failing to have valve position indicators on the valves;

49 C.F.R. § 195.420(a) - (b) (Notice Item 5) — Respondent's alleged failure to maintain certain valves in good working order or failure to document any corrective actions taken as a result of known valve deficiencies;

49 C.F.R. § 195.428(a) (Notice Item 6) — Respondent's alleged failure to inspect and test certain pressure control devices within the prescribed time period; and

49 C.F.R. § 195.583(c) (Notice Item 7) — Respondent's alleged failure to take action to monitor or correct known atmospheric pipeline corrosion.

I find, pursuant to 49 C.F.R. § 190.205, that probable violations of 49 C.F.R. Part 195 have occurred and Respondent is hereby advised to correct such conditions. In the event that OPS finds a violation for any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order shall be effective upon receipt.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued