

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 8, 2010

Mr. Ian Scoble
Director, Refining Americas
ExxonMobil Refining and Supply Company
3225 Gallows Road, Room 6B2112
Fairfax, VA 22037

CPF 5-2010-5020M

Dear Mr. Scoble:

On July 31, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected ExxonMobil's procedures for operations and maintenance of Breakout Tank TK-002 in the ExxonMobil Refinery in Billings, Montana.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within ExxonMobil's procedures, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart [subpart F] and subpart H of this part.

ExxonMobil's O&M Procedure Manual for Breakout Tank TK-002 did not include all the provisions that are required to be performed on the breakout tank as specified by subpart F, section 195.432(b) of the pipeline safety code, i.e. the inspection frequency tables. ExxonMobil's procedures are inadequate because ExxonMobil did not accurately describe each of the tasks that are required to be performed in association with the operations and maintenance of Breakout Tank TK-002 as described in section 195.432(b).

2. § 195.432 Inspection of in-service breakout tanks.

(b) Each operator shall inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to section 4 of API Standard 653. However, if structural conditions prevent access to the tank bottom, the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3).

ExxonMobil's monthly breakout tank inspection form did not include a section to address all the items on the tank that must be inspected each month to ensure it is operated and maintained properly, i.e. Section 6 (formerly Section 4) of API 653 for the monthly tank inspection guidance. ExxonMobil's record-keeping procedures pertaining to section 195.432(b) are inadequate because they will not clearly record the condition of each of the elements of the tank that are required to be inspected during the monthly inspection of Breakout Tank TK-002.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 5-2010-5020M** 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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 M. Petronis (#123996)