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U.S. Pipelines and Logistics

BP Pipelines (North America) Inc.
28100 Torch Parkway
Warrenville, Illinois 60555

July 28, 2010

Mr. David Barrett
Director, Central Region
U.S. Department of Transportation
Pipeline & Hazardous Materials Safety Administration
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

Re: CPF 3-2010-5007

Dear Mr. Barrett:

BP Pipelines (North America) Inc. is writing in response to the referenced notice of probable violation and proposed civil penalty received in our offices on June 28, 2010, regarding the May 6, 2009 pipeline leak, in Iowa, at BP Pipeline's Mile Post 116 from Sugar Creek to Council Bluffs 8 inch pipeline.

The allegations of proposed violations in your letter are listed below with BP Pipeline's response following:

- 1. §195.402 Procedural Manual for Operations, Maintenance, and Emergencies**
 - (a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.**

A BP Pipelines North America, Inc. ("BP") contractor did not follow BP's procedures during excavation. While stripping out the line, backhoe excavation was conducted closer to the pipeline than the 8 inches allowed by BP procedures, striking a 2-inch valve attached to the line. The BP Operations and Maintenance procedure SP 107, "Specification For Lowering In-Service Pipelines", states:

2.2 PROCEDURES FOR EXCAVATING AROUND LINES

...A BP Pipelines "best practice" is for the backhoe bucket to never be closer to the pipeline than 8 inches for initial stripping out of the line. This practice must be followed and has proven to prevent striking unknown fittings and flanges that may be attached to the line.

The valve was struck 6-1/2 inches away from the pipe body, breaking it completely off, causing approximately 36 barrels of diesel fuel to be released. Even though the equipment operator and inspector were aware of the prohibition against stripping out a line within 8 inches of the pipe per SP 107, they did not follow the procedure.

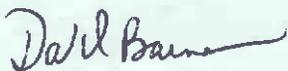
BP Response

BP Pipelines disagrees with the allegation of the notice as it relates with 49 CFR 195.402(a) and objects to the proposed civil penalty preliminarily assessed. BP Pipeline Engineering Site Technical Practices, construction activities in accordance with 195.200, and Pipeline Repairs of 195.422 are specific to the activities and procedures appropriate to its actions involved with the alleged violation. BP had prepared and was following its procedures for "normal operations and maintenance activities and handling abnormal operations and emergencies." BP disagrees with PHMSA's use of BP Specification language, best practice guidance, and excerpt to create an alleged "violation" that is inconsistent with 195.402(a) code language.

BP Pipelines respectfully requests a hearing to contest the alleged violations and proposed civil penalty. BP Pipelines will be represented by counsel at the hearing.

BP Pipelines remains committed to working cooperatively with your office with the ultimate goal of further enhancing the safety of our operations. Please feel free to contact me directly, or alternatively Rob Knanishu (630-836-3498), should you have any questions pertaining to this matter.

Sincerely,



David O. Barnes, P.E.
DOT & Integrity Manager

cc: file copy