



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 20, 2007

Mr. Gary W. Pruessing
President
ExxonMobil Pipeline Company
800 Bell Street, Room 741D
Houston, Texas 77002

CPF 4-2007-5032M

Dear Mr. Pruessing:

On April 2-6, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected ExxonMobil Pipeline Company's (EMPCO) procedures for Operations and Maintenance in Houston, Texas.

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

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. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

EMPCO procedures need to specify that appropriate parts of the Procedural Manual will be made available at locations where O&M activities are conducted. Also, procedures need to specify how Procedural Manual annual reviews will be documented.

2. §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 and subpart H of this part.

A. §195.230 Welds: Repair or removal of defects.

(b) Each weld that is repaired must have the defect removed down to sound metal and the segment to be repaired must be preheated if conditions exist which would adversely affect the quality of the weld repair. After repair, the segment of the weld that was repaired must be inspected to ensure its acceptability.

EMPCO procedures need to specify that after a repair, the segment of the weld that was repaired must be inspected to ensure its acceptability.

B. §195.264 Aboveground breakout tanks.

(b) After October 2, 2000, compliance with paragraph (a) of this section requires the following for the aboveground breakout tanks specified:

(1) For tanks built to API Specification 12F, API Standard 620, and others (such as API Standard 650 or its predecessor Standard 12C), the installation of impoundment must be in accordance with the following sections of NFPA 30:

- (i) Impoundment around a breakout tank must be installed in accordance with section 4.3.2.3.2; and**
- (ii) Impoundment by drainage to a remote impounding area must be installed in accordance with section 4.3.2.3.1.**

EMPCO procedures need to specify that all DOT regulated breakout tanks must follow NFPA 30 for impoundment requirements.

C. §195.404 Maps and Records.

(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information;

(1) Location and identification of the following pipeline facilities;

- (i) Breakout tanks;**
- (ii) Pump stations;**
- (iii) Scraper and sphere facilities;**
- (iv) Pipeline valves;**
- (v) Facilities to which §195.402(c)(9) applies;**
- (vi) Rights-of-way; and**
- (vii) Safety devices to which §195.428 applies.**

(2) All crossings of public roads, railroads, rivers, buried utilities, and foreign pipelines.

EMPCO procedures need to specify that scraper and sphere facilities, facilities that are not equipped to fail safe in immediate response areas and rights-of-way will be identified on current company maps. Also, the procedures need to specify the company will maintain current maps and records identifying rivers, buried utilities and foreign pipelines.

D. §195.404 Maps and Records.

(c) Each operator shall maintain the following records for the periods specified;

3) A record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.

EMPCO procedures need to specify that monthly tank inspection records will be maintained for 2 years or until the next inspection or test, whichever is longer.

E. §195.406 Maximum operating pressure.

(a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:

(1) The internal design pressure of the pipe determined in accordance with §195.106. However, for steel pipe in pipelines being converted under §195.5, if one or more factors of the design formula (§195.106) are unknown, one of the following pressures is to be used as design pressure:

(i) Eighty percent of the first test pressure that produces yield under section N5.0 of Appendix N of ASME B31.8, reduced by the appropriate factors in §§195.106(a) and (e); or

(ii) If the pipe is 323.8 mm (12¾ in) or less outside diameter and is not tested to yield under this paragraph, 1379 kPa (200 psig).

(2) The design pressure of any other component of the pipeline.

(3) Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under Subpart E of this part.

(4) Eighty percent of the factory test pressure or of the prototype test pressure for any individually installed component which is excepted from testing under §195.305.

(5) For pipelines under §§195.302(b)(1) and (b)(2)(i), that have not been pressure tested under Subpart E of this part, 80 percent of the test pressure or 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 test or operations were conducted.

EMPCO procedures only state that the Maximum Operating Pressure (MOP) will be calculated by use of the design equation and doesn't specify that except for surge pressures or other variations from normal operations, the MOP may not exceed (a)(2)-(a)(5).

F. §195.406 Maximum operating pressure.

(b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

EMPCO procedures need a reference to Design GP/Local Operating Instructions for operation constraints and to specify in the DOT Liquid Manual that adequate controls and protective equipment must be installed to prevent the pressure from exceeding 110% of the MOP.

G. §195.408 Communications.

(b) The communication system required by paragraph (a) of this section must, as a minimum, include means for:

(4) Providing communication with fire, police, and other public officials during emergency conditions, including a natural disaster.

EMPCO procedures need to reference and/or specify all forms of communication that can be utilized during emergencies, including natural disasters.

H. §195.410 Line markers.

(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:

(1) Markers must be located at each public road crossing, at each railroad crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.

EMPCO Procedures need to be more descriptive for placement of line markers along the right-of-way to ensure that the location of the pipelines is accurately known.

I. §195.420 Valve maintenance.

(c) Each operator shall provide protection for each valve from unauthorized operation and from vandalism.

EMPCO procedures need to reference Appendix E Security Guidelines of the DOT Liquid Manual to specify how valves will be protected from vandalism.

J. §195.428 Overpressure safety devices and overfill protection systems

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

EMPCO procedures need to be more descriptive on what steps are taken to validate inspections of overpressure protection provided by a third party operator.

K. §195.430 Firefighting equipment.

Each operator shall maintain adequate firefighting equipment at each pump station and breakout tank area. The equipment must be-

- (a) In proper operating condition at all times;**
- (b) Plainly marked so that its identity as firefighting equipment is clear; and,**
- (c) Located so that it is easily accessible during a fire.**

EMPCO procedures need to specify how the operator determines that adequate firefighting equipment is provided for each pump station and breakout tank area.

L. §195.438 Smoking or open flames.

Each operator shall prohibit smoking and open flames in each pump station area and each breakout tank area where there is a possibility of the leakage of a flammable hazardous liquid or of the presence of flammable vapors.

EMPCO procedures need to reference 195.410(6) pg 149 of the DOT Liquids Manual for placement of "No Smoking" signs.

M. §195.442 Damage Prevention Program

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:

(4) If the operator has buried pipelines in the area of excavation activity, provide for actual notification of persons who give notice of their intent to excavate of the type of temporary markings to be provided and how to identify the markings.

(6) Provide as follows for inspection of pipelines that an operator has reason to believe could be damaged by excavation activities:

- (ii) In the case of blasting, any inspection must include leakage surveys.**

EMPCO procedures need to specify that an excavator will be notified of the type of temporary markings used and how to identify the marking. Also, the procedures need to specify that after blasting, a leakage survey will be conducted if the operator has reason to believe the pipeline could be damaged by the blasting activities.

N. §195.559 What coating material may I use for external corrosion control?

Coating material for external corrosion control under Sec. 195.557 must--

- (a) Be designed to mitigate corrosion of the buried or submerged pipeline;**
- (b) Have sufficient adhesion to the metal surface to prevent under film migration of moisture;**
- (c) Be sufficiently ductile to resist cracking;**
- (d) Have enough strength to resist damage due to handling and soil stress;**
- (e) Support any supplemental cathodic protection; and**
- (f) If the coating is an insulating type, have low moisture absorption and provide high electrical resistance.**

EMPCO procedures need to reference coating testing documents and/or specify what coating material specifications are required for external corrosion control.

O. §195.561 When must I inspect pipe coating used for external corrosion control?

- (a) You must inspect all external pipe coating required by Sec. 195.557 just prior to lowering the pipe into the ditch or submerging the pipe.**

EMPCO procedures for electronic inspection of coatings need to be more detailed to ensure that correct voltage settings for holiday detection are utilized for different coating types and thicknesses.

P. §195.569 Do I have to examine exposed portions of buried pipelines?

Whenever you have knowledge that any portion of a buried pipeline is exposed, you must examine the exposed portion for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If you find external corrosion requiring corrective action under Sec. 195.585, you must investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

EMPCO procedures need to specify that if external corrosion is found requiring corrective action, the pipe must be investigated *circumferentially and longitudinally* beyond the exposed portion to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

Q. §195.579 What must I do to mitigate internal corrosion?

(c) Removing pipe. Whenever you remove pipe from a pipeline, you must inspect the internal surface of the pipe for evidence of corrosion. If you find internal corrosion requiring corrective action under Sec. 195.585, you must investigate circumferentially and longitudinally beyond the removed pipe (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed pipe.

EMPCO procedures need to specify that if internal corrosion is found requiring corrective action, the pipe must be investigated *circumferentially and longitudinally* beyond the removed pipe to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed portion.

R. §195.583 What must I do to monitor atmospheric corrosion control?

(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by Sec. 195.581.

EMPCO procedures need to specify repair criteria that will provide protection against corrosion and ensure that any problems discovered during inspections for atmospheric corrosion are corrected.

3. §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:

(8) In the case of pipeline that is not equipped to fail safe, monitoring from an attended location pipeline pressure during startup until steady state pressure and flow conditions are reached and during shut-in to assure operation within limits prescribed by §195.406.

EMPCO procedures need to define fail safe as it pertains to operations of the pipeline systems.

4. §195.402 Procedural manual for operations, maintenance, and emergencies.

(e) Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;

(6) Minimization of public exposure to injury and probability of accidental ignition by assisting with evacuation of residents and assisting with halting traffic on roads and railroads in the affected area, or taking other appropriate action.

(7) Notifying fire, police, and other appropriate public officials of hazardous liquid or carbon dioxide pipeline emergencies and coordinating with them preplanned and actual responses during an emergency, including additional precautions necessary for an emergency involving a pipeline transporting a highly volatile liquid.

EMPCO procedures need to include railroad traffic closure in affected areas when minimizing public exposure during hazardous liquid emergencies. Also, procedures need to reference Section 5 of the Emergency Manual for notifications to emergency and public officials.

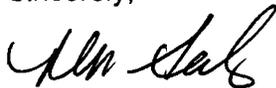
Response to this Notice

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 4-2007-5032M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

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