



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

January 16, 2009

Mr. Richard Peneguy, Jr.
Noble Energy, Inc.
Vice President and General Manager, Offshore Division
100 Glenborough, Suite 100
Houston, Texas 77067

CPF 4-2009-7002M

Dear Mr. Peneguy, Jr.:

On June 24-27, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected records and procedures of your Main Pass 305 Pipeline System at your Venice, Louisiana office.

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

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

(f) Safety related condition reports. The manual required by paragraph (a) of this section must include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of §195.55.

Noble Energy procedures did not clearly state that employees are trained on an ongoing basis to recognize safety related conditions. Noble Energy needs to amend their procedures to clarify that employees are trained on an ongoing basis to recognize safety related conditions.

2. §195.589 What corrosion control information do I have to maintain?

(a) You must maintain current records or maps to show the location of—

(1) Cathodically protected pipelines;

(2) Cathodic protection facilities, including galvanic anodes, installed after January 28, 2002; and

(3) Neighboring structures bonded to cathodic protection systems.

(b) Records or maps showing a stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode.

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§ 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

At the time of the inspection, Noble personnel at the Venice Office could not provide documentation that breakout tank inspections had been performed. Records were later found in the centralized office. Noble should amend its procedures to ensure local offices have pertinent corrosion records available to trace corrective action if necessary. In addition, procedures must include provisions to ensure coating of these assemblies must be maintained to prevent continuing corrosion and adversely affect the safe operation of these facilities.

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 4-2009-7002M** 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
Material Safety Administration

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