



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 1, 2012

Ms. Deborah Adams
President, Transportation
ConocoPhillips Pipe Line Company
600 N. Dairy Ashford
Houston, TX 77079

CPF 4-2012-5005

Dear Ms. Adams:

From March through August 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline facilities in New Mexico, Texas, Oklahoma, and Louisiana.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §195.208 Welding of supports and braces

Supports or braces may not be welded directly to pipe that will be operated at a pressure of more than 100 p.s.i. (689 kPa) gage.

During the onsite inspection it was observed that the main pump units at the Clifton Ridge Terminal had braces that were welded directly to the suction and discharge piping of both pumping units. The braces were connected to threaded adjustment rods used to line up the piping with the pump suction and discharge flanges. PHMSA inspectors were notified that the pumps and piping were upgraded to the current configuration in 1996.

2. §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.

During the inspection it was noted that ConocoPhillips Pipe Line Company's (ConocoPhillips) did not follow their procedures. Specifically, the valve maintenance required by §195.420 was not performed according to ConocoPhillips' procedure MPR-6005. The procedure, *MPR-6005 Inspections and Testing – Block Valve Inspection* requires that non-mainline isolation valves necessary for the safe operation of the DOT/PHMSA pipeline/pipeline facility are to be inspected at intervals not exceeding 7 ½ months, but at least twice each calendar year. The non-mainline valves are required to be visually inspected and do not need to be operationally checked.

The non-mainline valves at ConocoPhillips Lake Charles Pipe Line Terminal were only inspected once during the calendar years of 2009 and 2010 according to records reviewed by PHMSA inspectors.

3. §195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?

(a) You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

ConocoPhillips did not adequately clean and coat portions of pipelines that were exposed to the atmosphere and at soil-to-air interfaces to protect against atmospheric corrosion.

The following areas were observed during the field inspection of ConocoPhillips facilities and were found to be inadequate:

- The piping and check valve flange connected to Pump 4 on the Pecan Grove line had coating failure and corrosion.
- The 30-inch line from Clifton Ridge Terminal breakout tanks had coating failure and corrosion at the soil-to-air interface.
- Valve 94490 attached to Tank 347 in the Lake Charles Refinery had coating failure and corrosion on the flange.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$19,800 for item 2.

Proposed Compliance Order

With respect to items 1 and 3, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to ConocoPhillips Pipe Line Company. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

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.

In your correspondence on this matter, please refer to **CPF 4-2012-5005** 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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to ConocoPhillips Pipe Line Company (ConocoPhillips) a Compliance Order incorporating the following remedial requirements to ensure the compliance of ConocoPhillips with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to braces welded to the suction and discharge piping at the Clifton Ridge Terminal main pumps, ConocoPhillips must remove the adjustment rods connecting the braces to the steel supports. ConocoPhillips must survey their operating facilities for similar equipment and bring any facilities into compliance with 49 CFR Part 195.
2. In regard to Item Number 3 of the Notice pertaining to coating failure and onset of corrosion, ConocoPhillips must evaluate the piping surface to ensure that pipe integrity is suitable for the maximum operating pressure of the pipeline. The areas must then be cleaned and coated according to 49 CFR Part 195 and ConocoPhillips procedures.
3. ConocoPhillips should complete items 1 and 3 within 90 days of receipt of the Final Order.
4. It is requested (not mandated) that ConocoPhillips maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.