



Gary M. Saenz  
Team Leader

**Chevron Pipe Line**  
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May 10, 2012

Mr. Rod M. Seeley  
Director, Southwestern Region  
Pipeline and Hazardous Materials Safety Administration  
8701 South Gessner, Suite 1110  
Houston, TX 77074



**RE: Chevron Pipe Line Company – Contesting NOPV-PCP  
CPF No. 4-2012-5013**

Dear Mr. Seeley:

This letter is in response to your Notice of Probable Violation (“NOPV”), and Proposed Civil Penalty (“PCP”) dated April 16, 2012 and received by our office on April 18, 2012, regarding the investigation of an accident that occurred on September 8, 2011 on Chevron Pipe Line Company’s (“CPL”) 10-inch West Texas LPG pipeline system.

CPL was cited for failure to file a *supplemental report* per §195.54(b) for the 10-inch West Texas LPG pipeline that occurred on September 8, 2011. With respect to the alleged violation of 49 CFR 195.54(b), CPL does not agree that we are in violation of 195.54(b) which requires operators to file a supplemental report within 30 days of receiving any changes in the information reported in the original report (DOT Form 7000-1).

CPL Response to §195.54(b)

As stated in your letter dated April 16, 2012, CPL submitted an original accident report Pipeline and Hazardous Materials Safety Administration (“PHMSA”) Form 7000-1 (Report #20110380-16107) on October 8, 2011. The original report CPL submitted included the cause of the incident based on *Field Examination* which is one of the sub-causes categories. In early December of 2011, CPL and PHMSA’s Engineer Richard Lopez received a copy of the metallurgical report from Stress Engineering dated December 5<sup>th</sup>, 2011. It was our understanding that a supplemental report was not warranted given that the metallurgical report findings matched with the findings in the 7000-1 report CPL submitted October 8, 2011. Moreover, with PHMSA having possession of the metallurgical report, it was CPL’s understanding there was not a need to update the initial report.

Updating 7000-1 Report (Attachment 1)

The following outlines the activities CPL experienced trying to update the 7000-1:

February 28<sup>th</sup>, 2012

- CPL received an email from PHMSA Engineer Mr. Richard Lopez requesting CPL update the 7000-1 report (Report #20110380-16107).

March 6, 2012

- CPL attempted to update the 7000-1 (Supplement report), however, PHMSA's ODES2.0 application created a new 7000-1 report (Report #20120059) instead of a supplement to the original report (Report #20110380-16107).
- CPL contacted PHMSA Information Resources Manager Mr. Jamerson Pender via email regarding the problem of updating the report.
- PHMSA's Mr. Pender sent an email to PHMSA representative Mr. Thomas Bravo stating "FYI- ODES2.0 is still creating new reports when operators try to submit supplemental."
- PHMSA's Mr. Bravo forward the email to PHMSA's ODES2.0 Development Team – Paul Kazenkov and Alekhika Misra requesting this issue be elevated to be attended to right away.

March 16, 2012

- PHMSA representative Misra Alekhika sent an email to CPL representative Mr. Randy Burke to set a time to discuss this issue.

March 27, 2012

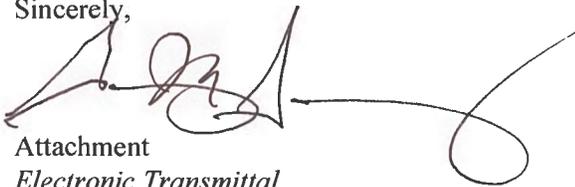
- CPL attached the metallurgical report from Stress Engineering to the original report (#20110380).

The NOPV states the final supplemental report was filed March 27, 2012, even though CPL submitted the report on March 6, 2012. CPL does not agree with the *proposed civil penalty* in the amount \$22,500 especially after experiencing problems with PHMSA's reporting application. CPL contends that the fine amount is disproportionate with regards to the number of days between March 27, 2012 and the actual report update of March 6, 2012. CPL proposes PHMSA reduce the civil penalty based on the March 6, 2012 date and not March 27, 2012.

Notwithstanding our position that we are in compliance with 195.54, we will inform our staff the importance of reporting within the required time period to address your concerns. CPL is committed to operating our pipelines safely, in respect of the environment and compliance with all governmental regulations.

If you have any questions or need further assistance, please contact me at (713) 432-3332.

Sincerely,



Attachment  
*Electronic Transmittal*

cc: R. Lopez, PHMSA Engineer  
J.M. Barnum, VP  
T.P. Duhon, VP  
T.W. Harlan, CPL Sr. Counsel  
J. L. Carbajal, CPL HES Manager  
J.R. Burke, CPL DOT Specialist

# CPL - ATTACHMENT 1

**From:** Pender, Jamerson (PHMSA)  
**Sent:** Tuesday, March 06, 2012 12:26 PM  
**To:** Bravo, Thomas (PHMSA)  
**Cc:** Garby, Pirjo (PHMSA)  
**Subject:** FW: Coahoma LPG Pipeline - Stress Eng. examinations

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FYI - ODES 2.0 is still creating new reports when operators try to submit supplemental. This issue is probably reaching a critical point now.

Regards,

Jamerson Pender  
Information Resources Manager  
DOT/PHMSA - Office of Pipeline Safety  
Phone: 202.366.0218  
Fax: 202.366.4566  
Email: [Jamerson.Pender@dot.gov](mailto:Jamerson.Pender@dot.gov)

**From:** Burke, Randy (RBurke) [<mailto:RBurke@chevron.com>]  
**Sent:** Tuesday, March 06, 2012 11:57 AM  
**To:** Lopez, Richard (PHMSA)  
**Cc:** Pender, Jamerson (PHMSA)  
**Subject:** RE: Coahoma LPG Pipeline - Stress Eng. examinations

Richard – I've updated this report with the text of Stress Labs conclusions on the pipe failure. However, there continues to be a problem within PHMSA's system where instead of creating a supplement, we end up creating a new report. This happened when I entered the update & now need to call Jamerson Pender to resolve. The update appears as an attachment in the inadvertent new report # 20120059 & is also attached.

Will let you know when this issue is resolved.

Jamerson – Will call you at the first break (Up to my neck in a CGA Best Practices Meeting in Vegas).

**From:** Richard.Lopez@dot.gov [<mailto:Richard.Lopez@dot.gov>]  
**Sent:** Tuesday, February 28, 2012 7:35 AM  
**To:** Burke, Randy (RBurke)  
**Cc:** [mary.mcdaniel@dot.gov](mailto:mary.mcdaniel@dot.gov); [Rodrick.M.Seeley@dot.gov](mailto:Rodrick.M.Seeley@dot.gov)  
**Subject:** Coahoma LPG Pipeline - Stress Eng. examinations

The examination(s) have been completed at Stress so Randy you need to update the 7000 report. Operators are supposed to update the reports when they get important information. If possible you should also finalize the report.

Please note that as a result of the accident investigation, it appears that you may have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

§195.54 Accident reports.

(b) Whenever an operator receives any changes in the information reported or additions to the original report on DOT Form 7000-1, it shall file a supplemental report within 30 days.

Operator Name	Operator ID	Report Type	Report Number
CHEVRON PIPE LINE CO	2731	leak	20110380

Saenz, Gary (GarySaenz)

**From:** Burke, Randy (RBurke)  
**Sent:** Friday, March 16, 2012 11:23 AM  
**To:** alekhika.misra.ctr@dot.gov  
**Cc:** Saenz, Gary (GarySaenz); Leger, Henry L (HenryLeger); Falgout, Paul C  
**Subject:** RE: Coahoma LPG Pipeline - Stress Eng. examinations

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I'll be in my office & available anytime on Monday the 19<sup>th</sup>. Let me know the time that works for you.

**J.R. (Randy) Burke**, DOT Specialist  
Chevron Pipe Line Company  
Environmental & Technical Services  
4800 Fournace Place  
Bellaire, TX 77401-2324  
Tel 713 432 3206 Cell. 281 451 7537

<mailto:RBurke@Chevron.com>

**From:** alekhika.misra.ctr@dot.gov [mailto:alekhika.misra.ctr@dot.gov]  
**Sent:** Friday, March 16, 2012 10:11 AM  
**To:** Burke, Randy (RBurke)  
**Subject:** RE: Coahoma LPG Pipeline - Stress Eng. examinations

Hi,

I would like to set up a live meeting to discuss and reproduce the below issue. Please let me know what is your convenient day/time to discuss this issue.

Thanks  
Alekhika  
ODES 2.0 Development Team

**From:** Bravo, Thomas (PHMSA)  
**Sent:** Tuesday, March 06, 2012 12:40 PM  
**To:** Kazenkov, Paul (PHMSA); Misra, Alekhika CTR (PHMSA)  
**Cc:** Garby, Pirjo (PHMSA); Pender, Jamerson (PHMSA)  
**Subject:** RE: Coahoma LPG Pipeline - Stress Eng. examinations  
**Importance:** High

This needs to be elevated to be attended to right away.

Thank you

Tom Bravo  
Office of the Chief Information Officer Pipeline and Hazardous Materials Safety  
Administration  
United States Department of Transportation East Building (Room E23-302) 1200 New Jersey Ave.,  
S.E.  
Washington, DC 20590  
(202)306-4662