

**NOTICE OF PROBABLE VIOLATION
And
PROPOSED CIVIL PENALTY**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 6, 2016

Troy Valenzuela
Vice President Environmental Health and Safety
Plains Pipeline, L.P
333 Clay Street Suite 1600
Houston TX 77002

CPF 4-2016-5001

Dear Mr. Valenzuela:

On January 01, 2015 Plains Pipeline L.P. (Plains) experienced a failure on its Mesa to Basin 12” pipeline in Midland, Texas. As a result, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code conducted an accident investigation and reviewed documentation related to the accident at the Basin Facility in Midland, Texas.

As a result of the investigation, 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. §195.442 Damage prevention program.

- (a) Except as provided in paragraph (d) of this section, each operator of a buried pipeline must carry out, in accordance with this section, a written program to prevent damage to that pipeline from excavation activities. For the purpose of this section the term “excavation activities” includes excavation, blasting, boring, tunneling, backfilling, the removal of above-ground structures by either explosive or mechanical means and other earthmoving operations.**
- (c) The damage prevention program required by paragraph (a) of this section must at a minimum:**
 - (5) Provide for temporary marking of buried pipelines in the area of excavation Activity before, as far as practical, the activity begins.**
 - (6) Provide as follows for inspection of pipelines that an operator has reason to believe could be damaged by excavation activities:**
 - (i) The inspection must be done as frequently as necessary during and after the activities to verify the integrity of the pipeline;**

Plains Pipeline LP (Plains) failed to carry out its Written Damage Prevention Program (Plains Operations and Maintenance Manual Appendix C) and to follow its Pipeline Excavation/Ditching and Backfill Procedure (PAALP-ENG-SPC-PRW-042) on four separate occasions. Plains’ failure to follow their procedures resulted in outside force damage which led to the failure and release of 500 barrels of crude oil from their Mesa to Basin 12” pipeline on January 1, 2015.

The four separate occasions include:

- 1) Plains Pipeline LP (Plains) failed to carry out its Written Damage Prevention Program (Plains Operations and Maintenance Manual Appendix C) and to follow its Pipeline Excavation/Ditching and Backfill Procedure (PAALP-ENG-SPC-PRW-042) to provide temporary marking of its buried pipeline upon receipt of the initial one call ticket on August 14, 2014.
- 2) Plains failed to carry out its Written Damage Prevention Program (Plains Operations and Maintenance Manual Appendix C Section 5c) to immediately correct the incorrect information on the one call ticket, nor did they refresh their line markings after marking the line on September 5, 2014.
- 3) Plains failed to follow its Pipeline Excavation/Ditching and Backfill Procedure (PAALP-ENG-SPC-PRW-042 Section 6) to determine the depth of cover over its buried pipeline and share the information with the excavator operator when marking the line on September 5, 2014.

- 4) Plains failed to carry out its Written Damage Prevention Program (Plains Operations and Maintenance Manual Appendix C Page 4) to provide for inspection of the Mesa to Basin, 12” pipeline during the excavation activity that led to the damage of the pipeline. Plains Engineering and Basin personnel were relying on a contract construction inspector to observe and inspect the pipeline excavation activities for the duration of the Sunrise Project (August – October 2014).

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$190,000.

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. All material submit in response to this enforcement action may be 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 4-2016-5001** 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: *Response Options for Pipeline Operators in Compliance Proceedings*