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July 30, 2009

Mr. Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration
US Department of Transportation
12300 W. Dakota Avenue, Suite 110
Lakewood, Colorado 80228

RE: BREITBURN CPF 5-2009-0009; Request for Reduction In Civil Penalty

Dear Mr. Hoidal:

Thank you for this opportunity to provide comments for your consideration in the above referenced compliance matter. We would appreciate your consideration of these facts toward a reduction in the final civil penalty and disposition of this case.

Our Seal Beach, California pipeline facility, which we operate on behalf of the Seal Beach Gas Processing Joint Venture, generally consists of gas gathering lines, a gas processing facility and a gas transmission line. There is a 0.97 mile transmission line out of a total of five miles of pipeline. The remainder of the lines are gas gathering lines. The almost one mile transmission portion of the pipeline is located in a Class 3 location.

During a June 18-19 2008 inspection, Mr. Hossein Monfared of PHMSA noted various conditions which are enumerated in CPF5-2009-0009. While each condition is addressed below, we request that several overall factors be considered in conformance with the "Assessment Considerations" listed in 49 CFR §190.225.

Adverse Impact on the Environment: None of the conditions found during the inspection resulted in any adverse impact on the environment nor did any accident or incident result from these or any other condition of our pipelines.

History of Prior Offenses: BreitBurn has not had any prior violations at this location. .

Circumstances and Degree of Culpability: The field employee charged with conducting the required inspections and maintaining the associated records regularly reported to his superiors that the inspections were being conducted and recorded. Furthermore, on several occasions this employee requested to work overtime to specifically complete his "DOT compliance" work. In each case these requests were granted. In addition, our separate Environmental, Health and Safety department had both training sessions and specific discussions with this employee during which the employee verified that all DOT compliance work was up to date. During the inspection, it became clear that these representations to management were false. This employee is no longer employed by

BreitBurn. After his departure, BreitBurn personnel searched for the records known to exist and which were shared with Inspector Monfared. The entire office was completely searched by two different managers with no success. None of the records could ever be located. Repeated attempts to contact the former employee were unsuccessful. He has refused to return calls to explain what happened to the missing records. It is apparent that this employee was disgruntled and it appears that critical records were destroyed or removed from the premises. (It should be noted that other records and items were also missing from the field office during this period.) We believe that these personnel difficulties caused or contributed to some of the conditions found during the inspection. While BreitBurn endeavors to be vigilant in ensuring that our employees function in a responsible and capable manner, there are times, such as the instance encountered at the Seal Beach facility, where problems are not fully discovered until after personnel changes are made. As of late 2008, personnel changes were finalized and the crew at this facility was replaced. We are confident that these personnel changes, along with new internal policies and procedures instituted to better monitor performance and to duplicate records, will enhance our operations of the facility as well as compliance with the many regulatory requirements applicable to these operations.

Good effort to Achieve Compliance: BreitBurn commits to putting forth all reasonable effort in order to achieve and maintain compliance with the applicable regulations. BreitBurn has attempted to demonstrate our cooperation and desire to do so in its ongoing compliance efforts and communications with agency representatives. We welcome a repeat inspection to verify current compliance with DOT regulations.

Responses to the individual conditions noted in this matter are as follows:

- 1) **§192.465 (b) External corrosion control:** Monitor/inspect rectifier six times per year, not to exceed 2 ½ months.

BreitBurn Response: BreitBurn's policy is to regularly check its rectifier on the transmission line. Unfortunately, all records for the past three years for this inspection, except the annual cathodic protection survey that is conducted by a third party are missing from the Seal Beach facilities office. While we were confident that these inspections were conducted and recorded, we have been unable to locate the completed inspection documentations. Since change of our personnel, we have been maintaining and are able to locate all required records. A sample of the rectifier inspection log sheets maintained by our current operators are attached for your reference.

- 2) **§192.609 Change in Class Location:** Required study not conducted/BreitBurn indicated the entire pipeline to be in Class 1 location when the sales line is in Class 3 location.

BreitBurn Response: BreitBurn has consistently maintained that the 0.97 miles of transmission pipe are located in a Class 3 location. A copy of the 2008 report for the gas pipeline, which had already been submitted as of the date of the inspection, shows the

line to be in a Class 3 location. A copy of this report is attached for your reference. In response to the inspector's concerns, however, that the class location be clear, BreitBurn has prepared an additional Class Location Survey and included it in our pipeline manual as an addendum. A copy of this form is also included for your reference.

- 3) **192.619 Maximum allowable operating pressure:** The MAOP indicated during the inspection suggested that the operating pressure is routinely exceeded.

BreitBurn Response: After the inspection, a review of the conditions were conducted and it was determined that the BreitBurn operator (no longer at BreitBurn) mistakenly reported the operating pressure to be 200-250 psi. The operating pressure, based on pressure measurements taken after the inspection, show that the pipe is, and has been, operating at 160-175 psi. Note, however, that BreitBurn is conducting a full evaluation of the pipelines at the facility, including the transmission and gas gathering lines to ensure that all systems are set at and operating at optimal pressures and settings.

- 4) **§192.739 Pressure limiting and regulating stations:** BreitBurn did not inspect the only regulating valve on its sales line annually.

BreitBurn Response: BreitBurn's policy is to annually inspect the valves. However, as explained above, the documentation demonstrating that the inspection had been conducted is missing and it is believed it was due to or connected to the personnel difficulty that had been experienced. However, it should be noted that no incidents or accidents involving the pipeline in general, or the pressure regulating device occurred. Further, as described below, we believe that the pressure relief device has effectively been tested routinely as described below.

There are actually three pressure limiting/regulating devices which control this section of the system. One device is a high pressure shutdown device which is located at the compressor. There is also a pressure relief valve located upstream of the gas processing plant. Finally, there is a Kimray on the transmission line downstream of the gas processing plant. While the recent inspection records for these devices could not be located, it should be noted that the Kimray device has effectively been tested routinely because it is set off each time the Southern California Gas Company shuts down its receiving line due to gas quality issues, which in turn causes pressure buildup of the transmission line causing the relief device to go off. So in effect, the Kimray, as a pressure relief device, is tested several times per year. Since each time the Kimray is set off, the gas is diverted to the flare, we can provide records of our flaring events for your consideration. While we recognize that this is not strict compliance with the regulations, as a practical matter it provides a series of alternative tests or inspection events.

- 5) **§192.745 Valve Maintenance:** Transmission line emergency shut off valve was not inspected annually.

BreitBurn Response: Again, while it is BreitBurn's policy to conduct the emergency shutoff valve inspections on an annual basis, as discussed above those records were missing from our office files. Management was told that the testing was done and there were no incidents indicating that the valve was not working properly.

Thank you for considering our comments in your deliberation of this matter and for granting an extension from the original deadline in which to provide a response. We would be happy to provide any additional information or answer any questions you may have regarding this matter.

Very truly yours,



Martha Brock
EH&S Manager

Sample Rectifier Inspection Logs

Rectifier Readings

Form # 6.07A

Reference: 49 CFR 192.465(b)	Date Revised: Sept 2008
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RECTIFIER READINGS

Required Frequency: 6x/year not to exceed 2 ½ months

Line Location Seal Beach, CA		Unit Location Bellman Properties	City Seal Beach	Unit Number
Make Universal Rectifiers	Size	Serial Number 95118		Year Installed
Year:				

Month:	Date:	Volts:	Amps:	Inspect the rectifier and its components for proper operation.	Name of Person Performing the Inspection:
Jan					
Feb	26 th	8	11		Rick Hoyt
March					
April	28 th	8.1	10.2		Rick Hoyt
May					
June	30 th	8	10		Rick Hoyt
July					
Aug					
Sept					
Oct					
Nov					
Dec					

CATHODIC PROTECTION SYSTEM MAINTENANCE RECORD SHEET

Location of Rectifier Unit: Hellman Properties City Lease
 Type of Rectifier Unit: Impressed current

Model No: AAP

Serial No: 951118

Rectifier Manufactured By: Universal Rectifiers

Rectifier AC input: 115/230 Volts 1 Phase 60 Hz
 Rectifier DC output: 24 Volts 12 Amps

Date Turned on: August 17th, 2005

RECTIFIER READINGS

Rectifier Setting		DC Output		By	Date
<u>Coarse</u>	<u>Fine</u>	<u>Volts</u>	<u>Amps</u>		
1	0	8	11	Rick Hoyt	2-26-09

Remarks:

CATHODIC PROTECTION SYSTEM MAINTENANCE RECORD SHEET

Location of Rectifier Unit: Hellman Properties City Lease

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Model No: AAP

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RECTIFIER READINGS

Rectifier Setting		DC Output		By	Date
<u>Coarse</u>	<u>Fine</u>	<u>Volts</u>	<u>Amps</u>		
1	Ce	8.1	10.2	Rick Hoyt	4-28-09

Remarks:

CATHODIC PROTECTION SYSTEM MAINTENANCE RECORD SHEET

Location of Rectifier Unit: Hellman Properties City Lease
 Type of Rectifier Unit: Impressed current

Model No: AAP

Serial No: 951118

Rectifier Manufactured By: Universal Rectifiers

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Date Turned on: August 17th, 2005

RECTIFIER READINGS

Rectifier Setting		DC Output		By	Date
Coarse	Fine	Volts	Amps		
1	0	8	10	Rick Hoyt	6-30-09

Remarks:

Annual gas Transmission & Gathering System Report for Calendar
Year 2007



U.S. Department of Transportation
Pipeline and Hazardous Materials Safety
Administration

ANNUAL REPORT FOR CALENDAR YEAR 20 2007
GAS TRANSMISSION & GATHERING SYSTEMS

INITIAL REPORT
SUPPLEMENTAL REPORT

INSTRUCTIONS

Important: Please read the separate instructions for completing this form before you begin. They clarify the information requested and provide specific examples. If you do not have a copy of the instructions, you can obtain one from the Office of Pipeline Safety Web Page at <http://ops.dot.gov>.

PART A - OPERATOR INFORMATION

DOT USE ONLY

20080754 -- 12661

1. NAME AND COMPANY OR ESTABLISHMENT

SEAL BEACH GAS PROCESSING VENTURE

4. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER

31068

2. LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED

515 S. FLOWER, SUITE 4800

Number & Street

5. HEADQUARTERS NAME & ADDRESS, IF DIFFERENT

LOS ANGELES LOS ANGELES

City & County

Number & Street

City & County

CA 90071

State & Zip Code

State & Zip Code

3. STATE IN WHICH SYSTEM OPERATES: CA (provide a separate report for each state in which system operates)

PART B - SYSTEM DESCRIPTION

Report miles of pipeline in system at end of year.

1. GENERAL - MILES OF PIPELINE IN THE SYSTEM AT END OF YEAR THAT ARE JURISDICTIONAL TO OPS

	STEEL				CAST IRON WROUGHT IRON PIPE	PLASTIC PIPE	OTHER PIPE	TOTAL
	CATHODICALLY PROTECTED		UNPROTECTED					
	BARE	COATED	BARE	COATED				
TRANSMISSION								
ONSHORE	0	1	0	0	0	0	0	1
OFFSHORE	0	0	0	0	0	0	0	0
GATHERING								
ONSHORE	0	3.75	0	0	0	.25	0	4
OFFSHORE	0	0	0	0	0	0	0	0
SYSTEM TOTALS	0	4.75	0	0	0	.25	0	5

2. MILES OF PIPE BY NOMINAL SIZE

	UNKNOWN	4" OR LESS	OVER 4" THRU 10"	OVER 10" THRU 20"	OVER 20" THRU 28"	OVER 28"	TOTAL
TRANSMISSION							
ONSHORE	0	1	0	0	0	0	1
OFFSHORE	0	0	0	0	0	0	0
GATHERING							
ONSHORE	0	0	3	1	0	0	4
OFFSHORE	0	0	0	0	0	0	0
SYSTEM TOTALS	0	1	3	1	0	0	5

3. MILES OF PIPE BY DECADE OF INSTALLATION

	UNKNOWN	PRE- 1940	1940- 1949	1950- 1959	1960- 1969	1970- 1979	1980- 1989	1990- 1999	2000- 2009	TOTAL
TRANSMISSION										
ONSHORE	0	0	0	1	0	0	0	0	0	1
OFFSHORE	0	0	0	0	0	0	0	0	0	0
GATHERING										
ONSHORE	0	0	0	3.75	0	0	0	0	.25	4
OFFSHORE	0	0	0	0	0	0	0	0	0	0
SYSTEM TOTALS	0	0	0	4.75	0	0	0	0	.25	5

4. MILES OF PIPE BY CLASS LOCATION

	CLASS 1	CLASS 2	CLASS 3	CLASS 4	TOTAL
TRANSMISSION					
ONSHORE	0	0	1	0	1
OFFSHORE	0	N/A	N/A	N/A	0
GATHERING					
ONSHORE	3	0	1	0	4
OFFSHORE	0	N/A	N/A	N/A	0
SYSTEM TOTALS	3	0	2	0	5

PART C - TOTAL LEAKS ELIMINATED/REPAIRED DURING YEAR					PART D - TOTAL NUMBER OF LEAKS ON FEDERAL LAND OR OCS REPAIRED OR SCHEDULED FOR REPAIR
CAUSE OF LEAK	TRANSMISSION		GATHERING		
	ONSHORE	OFFSHORE	ONSHORE	OFFSHORE	
CORROSION	0	0	0	0	1. TRANSMISSION ONSHORE <u>0</u> OFFSHORE <u>0</u> OUTER CONTINENTAL SHELF <u>0</u> 2. GATHERING ONSHORE <u>0</u> OFFSHORE <u>0</u> OUTER CONTINENTAL SHELF <u>0</u>
NATURAL FORCES	0	0	0	0	
EXCAVATION	0	0	0	0	
OTHER OUTSIDE FORCE DAMAGE	0	0	0	0	
MATERIAL AND WELDS	0	0	0	0	
EQUIPMENT AND OPERATIONS	0	0	0	0	
OTHER	0	0	0	0	
PART E - NUMBER OF KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR					
1. TRANSMISSION					<u>0</u>
2. GATHERING					<u>0</u>
PART F - PREPARER AND AUTHORIZED SIGNATURE					

WILL SIMMONS

(type or print) Preparer's Name and Title

(213) 225-5900

Area Code and Telephone Number

WSIMMONS@BREITBURN.COM

Preparer's E-mail Address

(213) 225-5916

Area Code and Facsimile Number

Name and Title of Person Signing

Area Code and Telephone Number

Authorized Signature

(type or print) Name and Title

Date

Class Location Survey

CLASS LOCATION SURVEY

BREITBURN ENERGY COMPANY/SEAL BEACH GAS PROCESSING VENTURE

ALAMITOS PIPELINE

Operator ID: 31068

Diameter	4"
Commodity	Sales Gas (Dry Gas)
Length	.97 Miles
Pipeline Material	Steel
Operating Pressure	200 psi
MAOP	214 psi
Age	53 years

A. DESCRIPTION

The DOT jurisdiction pipeline referenced above is a 4" pipeline-quality gas sales line that runs from a gas processing plant located at Breitburn Energy Company's "Alamitos" field, an oil production facility located north of Pacific Coast Highway in Seal Beach, California.

The line measures an approximate length of .97 miles from where it leaves the Breitburn facility to where custody is exchanged to the Gas Company just off of Seal Beach Boulevard. The line begins in a north-bound direction from the facility running above-ground along Signal Road. At Bolsa Avenue the line goes underground and makes a 90 degree turn to the West, running westward along the north shoulder of Bolsa Avenue until it reaches Anchor Way. It continues westward along Anchor Way until it nears Seal Beach Boulevard, where it makes a near-90 degree turn to the south and into the Hellman lease where custody is transferred to the Gas Company. It should be noted that the entirety of this line is contained within the U.S. Naval Weapons Depot.

B. CRITERIA

As per 49 CFR 192.5:

(a) This section classifies pipeline locations for purposes of this part. The following criteria apply to classifications under this section

(1) "A class location unit" is an onshore area that extends 220 yards (200 meters) on either side on the centerline of any continuous 1-mile (1.6 km) length of the pipeline."

(2) "Each separate dwelling unit in a multiple dwelling unit building is counted as a separate building intended for human occupancy."

(b) Except as provided in paragraph (c) of this section, pipeline locations are classified as follows:

- (1) A Class 1 location is:
 - (i) An offshore area; or
 - (ii) Any class location unit that has 10 or fewer buildings intended for human occupancy
- (2) A Class 2 location is any class location unit that has more than 10 but fewer than 46 buildings intended for human occupancy.
- (3) A Class 3 location is any class location is:
 - (i) Any class location unit that has 46 or more buildings intended for human occupancy; or
 - (ii) An area where the pipeline lies within 100 yards (91 meters) of either a building or a small, well-defined outside area (such as a playground, recreation area, outdoor theatre, or other place of public assembly) that is occupied by 20 or more persons on at least 5 days a week for 10 consecutive weeks in any 12 month period. (The days and weeks need not be consecutive.)
- (4) A Class 4 location is any class location unit where buildings with four or more consecutive stories above-ground are prevalent

C. CLASS LOCATION DETERMINATION

Given the fact that the pipeline in question is of relatively short length, only one class location determination is necessary for this line. A site survey has revealed that from where the line leaves the Breitburn facility to approximately .75 miles along the line the line runs through an undeveloped and completed uninhabited part of the Naval Weapons Station. As the line approaches the final .22 miles of the segment however, it runs through a developed part of the naval base, an area that has been developed as naval base housing along Anchor Way and accompanying streets. This development has been in place with no changes since as least as far back as the mid-1990s, and therefore would not have triggered a change in class location since that time.

It is here that the line passes through an area with 30+ residential buildings within the 220 yard buffer, with each building unit containing multiple separate dwelling units of 4-6 separate dwelling units per building (see Map A). A conservative estimate of separate units per building would give us a minimum 120 separate dwelling units in this segment because as according to 49 CFR 192.5 (a) (2) "each separate dwelling unit in a multiple dwelling unit building is counted as a separate building intended for human occupancy." In addition, there are multiple dwelling units across Seal Beach Boulevard (non-Naval housing) that is to be counted towards the total number of housing units intended for human occupancy because the dwelling units fall under the 220 yard distance parameter.

In addition to the total number of housing units exceeding a total of 46 within the 1-mile segment, there are several High Occupancy Locations where as according to 49 CFR 192.5 (b) (3) (ii) is defined as "an area where the pipeline lies within 100 yards (91 meters) of either a building or a small, well-defined area outside area (such as a playground, recreation area, outdoor theatre or other place of public assembly) that is occupied by 20 or more person on at least 5 days a week for 10 consecutive weeks in any 12 month period." It is within this developed area of military housing we find several well-defined outside recreation areas, including a skateboard park and basketball and tennis courts that fall within the 100 yard buffer of the centerline of the pipeline (see Map A).

The site survey has determined that there are no buildings within the 220 yard buffer that exceed the four or more stories above ground that is required for a Class 4 classification.

Given the above factors the class location unit for this single segment of pipeline is recognized as a Class 3 location as defined by the criteria 49 CFR 192.5.

D. CONTINUING SURVEILLANCE

Breitburn Energy and Seal Beach Gas Processing Venture will conduct the necessary ongoing surveillance annually along the pipeline to ensure that there is no change necessary to the class location. Any further development or change along the line will be documented and if necessary, change in class location made.

Dated: June 24, 2008