

## NOTICE OF AMENDMENT

**VIA FEDERAL EXPRESS (FEDEX) – 8726-2779-5632**

April 20, 2010

Mr. Anthony Brock  
VP HSSE & Engineering  
BP Exploration Alaska  
P.O. Box 196612  
900 E. Benson Blvd.  
Anchorage, Alaska 99519

**CPF 5-2010-5011M**

Dear Mr. Brock:

On July 27-28, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected BP Exploration Alaska's (BPXA) procedures titled "Greater Prudhoe Bay Natural Gas Liquids Pipeline Operation, Maintenance, Emergency Response Manual (OMER)" in Anchorage, Alaska.

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

1. **§195.1 Which pipelines are covered by this part?**  
**(a) Covered. Except for the pipelines listed in paragraph (b) of this section, this part applies to pipeline facilities and the transportation of hazardous liquids or carbon dioxide associated with those facilities in or affecting interstate or foreign commerce, including pipeline facilities on the Outer Continental Shelf (OCS). This includes:**

**(1) Any pipeline that transports a highly volatile liquid (HVL);**

The operator's procedures do not indicate that the 6" line running from Valve FV1206 to Flow Station 1 is DOT jurisdictional.

2. **§195.228 Welds and welding inspection: Standards of acceptability.**
  - (a) **Each weld and welding must be inspected to insure compliance with the requirements of this subpart. Visual inspection must be supplemented by nondestructive testing.**
  - (b) **The acceptability of a weld is determined according to the standards in Section 9 of API 1104. However, if a girth weld is unacceptable under those standards for a reason other than a crack, and if Appendix A to API 1104 (ibr, see § 195.3) applies to the weld, the acceptability of the weld may be determined under that appendix.**

BPXA's procedure SPC-AK-43-331 (visual inspection of welding) is inadequate, because the procedure did not require that visual inspection be conducted in accordance with API 1104. The SPC-AK-43-331 procedure states that "all critical welds receive In Process visual weld examination in accordance with ASME B31.3, paragraph 344.7. The operator's NDE contactor's records indicated that the procedure for visual examination was performed to ASME B31.3. BPXA's Tier 2 DOT "Operations Maintenance and Emergency Manual (OMER), page 12 requires that all visual inspection be done to API 1104, section 4.4.6.b. CFR 195.228 requires the welds to be inspected to API 1104. The operator needs to revise SPC-AK-43-331 or write a procedure in accordance with CFR 195.228 and OMER Tier 2.

3. **§195.402(c)(7) Procedural manual for operations, maintenance, and emergencies.**
  - (7) **Starting up and shutting down any part of the pipeline in a manner designed to assure operation within the limits prescribed by paragraph §195.406, consider the hazardous liquid or carbon dioxide in transportation, variations in altitude along the pipeline, and pressure monitoring and control devices.**

BPXA's "DOT Operations, Maintenance, and Emergency Response (OMER) Manual" does not include startup procedures for starting the line up after purging. The startup procedure in the OMER assumed that the line is in the liquid state.

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 60 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 5-2010-5011M** and send all responses to 188 W. Northern Lights Blvd. Suite 520, Anchorage, Alaska 99503. For each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dennis Hinnah  
Deputy Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry  
PHP-500 B. Flanders (#123933)