

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 26, 2010

Mr. John Swearingen
President
Marathon Pipe Line LLC
539 South Main Street
Findlay, OH 45840

CPF 5-2010-5013

Dear Mr. Swearingen:

On July 13-16, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Red Butte Pipeline System in central and northwestern Wyoming.

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. §195.401 General requirements.

(b) Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it shall correct it within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

Field observations indicate operating conditions that are unusual and may be causing pipeline damage. These conditions have not been previously documented and addressed during your scheduled inspections. Specifically, at the Casper Station, a very loud and distinct “gravelly” sound was emanating from the pipeline at a location immediately downstream from the pressure reducing control valve. This sound is indicative of possible cavitation which could be internally damaging the pipeline or associated pressure control devices and valves. Furthermore, the ball valve immediately downstream of the control valve was partially closed which is not an acceptable use of a ball valve. This partial closure may be contributing to the cavitation. While we cannot determine whether the condition presents an immediate hazard, we believe that this condition, if left uncorrected, could cause or further contribute to possible pipeline damage at this location.

2. § 195.410 Line Markers.

(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:

(1) Markers must be located at each public road crossing, at each railroad crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.

In the housing development located a few miles west of Casper Station, it appears that many road crossings were not adequately marked to identify the location of the pipeline, i.e. it is difficult to determine the location of the pipeline as it passes through the yards of many of the houses in the housing development.

Proposed Compliance Order

With respect to items 1 and 2, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Marathon Pipe Line, LLC. Please refer to the *Proposed Compliance Order* that 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 5-2010-5013** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 M. Petronis (#124323)

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 Marathon Pipe Line, LLC (Marathon) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Marathon Pipe Line, LLC with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to a possible cavitation condition at the Casper Station, Marathon must perform an engineering analysis to determine whether or not cavitation is occurring, or has occurred, at the Casper Station. If cavitation is occurring, Marathon must then determine whether the pipe or pipeline components are being damaged. If potential damage could occur, appropriate modifications to the Casper Station must be made to prevent cavitation from occurring and any damaged piping must be replaced.
2. In regard to Item Number 2 of the Notice pertaining to inadequate marking of the pipeline, Marathon must install pipeline markers on each side of every road crossing within the housing development a few miles west of Casper Station. In addition, a sufficient number of markers must be installed within the housing development to ensure the location of the pipeline is accurately known.
3. Completion of Items 1 and 2 shall occur within sixty (60) days of the Final Order.
4. Marathon shall maintain documentation of the safety improvement costs associated with fulfilling this compliance Order and submit the total to Christopher Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.