



May 19, 2011

Pipeline and Hazardous Materials Safety Administration
Southwest Region
8701 South Gessner, Suite 1110
Houston, Texas 77074



Attention: Mr. R. M. Seeley
Director, Southwest Region

Re: Amended Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order
OkTex Pipeline Company, L.L.C.
CPF 4-2011-1005

Dear Mr. Seeley:

Pursuant to the Amended Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order CPF 4-2011-1005 dated April 19, 2011, OkTex Pipeline Company, L.L.C. (OkTex), a ONEOK Partners company, respectfully submits the following response to the issues brought forth from the inspection of OkTex El Paso pipeline assets held October 18-22, 2010.

Regarding Items 1 and 3, OkTex offers no additional response.

Regarding NOPV Item 2, OkTex offers the following response.

2. **5192.739 Pressure limiting and regulating stations: inspection and testing.**
 - (a) **Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is-**
 - (2) **Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;**

At the time of the inspection, OKTEX had not determined if the pressure regulating stations have sufficient capacity to provide reliable service to the downstream facilities. OKTEX purchased the pipeline system in July 2006 from Norteño. OKTEX operates and provides the overpressure protection for the Norteño #4 and #5 pipeline systems which includes five pressure regulating stations.

There are four pressure regulating facilities on Norteño # 4:

ONEOK Partners, L.P.
100 West Fifth Street
Tulsa, OK 74103
www.oneokpartners.com

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1. *Canutillo Delivery located at 6th & La Mesa;*
2. *Strahan located on Strahan and La Mesa;*
3. *Gillette located on Gillette and La Mesa and*
4. *Gato located on Gato Road and La Mesa.*

There is one pressure regulating facility on Norteño #5:

1. *Anthony City Gate located on West Washington.*

OKTEX is a subsidiary of the ONEOK Partners and utilizes the ONEOK procedures.

ONEOK procedure OKSop3.160.102, section 3.1 1 states:

"Inspect and test pressure regulators to assure that each:

- 3.1 1.2 *Is adequate from the standpoint of capacity and reliability of operation for the service intended."*

Section 6.3 states:

"Use forms OKSops3.160.102A Regulator Inspection and Testing.. ."

During the inspection, PHMSA noted that OKTEX did not use the forms as specified in the procedure. Instead, OKTEX provided excel spread sheet documents for pressure regulator inspections. During discussions with company personnel it was noted that OKTEX had not confirmed or determined the required capacity for the pipeline system pressure regulating stations when it was acquired from Norteno. While it appears that annual checks are made it cannot be determined if these results indicate adequate capacity since the original capacity was not determined.

OkTex Response:

The Operating Procedures OKSops3.160.102 Pressure Limiting and Relief Devices, OKSops3.106.102A Regulator Inspection and Testing, and OKSops3.106.102B Relief Valve Inspection and Testing were reviewed and modified appropriately as of March 21, 2011. The OKSops3.106.102A Regulator Inspection and Testing and OKSops3.106.102B Relief Valve Inspection and Testing forms were revised and combined into a new OKSops3.160.102A Regulator and Relief Valve Inspection and Testing form. The revised procedure outlines more clearly what needs to be done for pressure limiting and relief devices. It also allows more flexibility to use appropriate recordkeeping systems. The revised inspection form is now more comprehensive and straightforward. The revised form was attached to the original response as Attachment B.

Additionally, ONEOK Operating Procedure OKSops3.160.102 requires review of capacities in section3.10 as copied below.

- 3.10. Calculate the required capacity, or review a previous calculation, of each relief device. Compare the required capacity to the rated capacity of the device. Review all applicable parameters to ensure new calculations or past calculations are valid. See Section 3.12.5.

The field checks to confirm that the calculations are valid are found in the referenced section 3.12.5 as copied below.

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3.12.5. The valve installed is the one documented in Company records, no changes have been made to the valve or piping and operating and/or relief flows and pressures are the same as in the calculations.

In the time since OkTex has operated the facilities,¹ none of the regulators or monitor valves have been replaced with different manufacturer, type, or size equipment. Also, there have been no delivery interruptions due to equipment capacity. Since nothing had changed and no operation issues had arisen, there was no apparent reason to question the calculations done by the previous operator.

In preparation of this response, copies of the calculations and comparisons done by the previous operator have not been located. To further complicate the issue, there are no firm delivery volumes assigned to the meters downstream of the control valves so there is no required capacity to compare actual capacity to. Based on review of 39 months of historical deliveries which are monthly totals, the control valves and monitors have more than adequate capacity. Copies of the manual capacity calculations and comparison to historical volumes are attached. See Attachment A.

Proposed Civil Penalty

<u>Item Number</u>	<u>PENALTY</u>
2	\$35,700.00

OkTex Response

We respectfully request that the proposed civil penalty be reduced if not eliminated for the following reasons:

- This item did not affect the safety of the public or OkTex's employees;
- The systems had not changed physically nor had delivery rates changed since OkTex took over operation;
- The new calculations confirm that the regulators have adequate capacity; and
- OkTex promptly responded when it received notice of the item.

Proposed Compliance Order

1. *In regard to Item Number 2 of the Notice pertaining to the failure to determine the capacity of pressure regulating stations installed on OKTEX pipelines facilities, OKTEX must perform the required analysis and ensure that the pressure regulators have adequate capacity to provide reliable service to the downstream facilities as required by 49 CFR 5192.739. If the pressure regulator capacity is found to be insufficient, OKTEX must install/modify the equipment to provide the required capacity.*

OkTex Response

OkTex has completed the calculations and has determined that the capacity of the regulators exceeds the historically required capacity sufficiently to allow reliable service to downstream facilities. See Attachment A.

¹ OkTex acquired the pipeline system from Norteño Pipeline in 2003, following ONEOK, Inc.'s acquisition of Norteño Pipeline earlier that year.

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There will be no further documentation filed with PHMSA in response to this Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order CPF 4-2011-1005 dated February 24, 2011.

If you require any additional information or clarification to this response letter, please contact Patti Ford, Senior Pipeline Safety Engineer, at (918) 588-7131.

Sincerely,



Mr. Michel E. Nelson
Senior Vice President

Enclosures:

Attachment A – Norteño 4 and Norteño 5 Regulator Capacity Calculations