

APR 26 2011

Ms. Rebecca B. Roberts
President
Chevron Pipe Line Company
4800 Fournace Place
Bellaire, TX 77401

Re: CPF No. 4-2011-5003

Dear Ms. Roberts:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$203,700. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated February 28, 2011. Therefore, this enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. R.M. Seeley, Director, Southwest Region, PHMSA

Mr. Edward LaCour, Vice President, Chevron Pipe Line Company

CERTIFIED MAIL - RETURN RECEIPT REQUESTED [7005 1160 0001 0077 5237]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

)	
In the Matter of)	
)	
Chevron Pipe Line Company,)	CPF No. 4-2011-5003
)	
Respondent.)	
)	

FINAL ORDER

Pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an investigation of an accident involving the pipeline system operated by Chevron Pipe Line Company (CPLC or Respondent) that occurred near Venice, Louisiana. CPLC operates approximately 5,200 miles of crude oil terminals, refined product terminals, and natural gas pipelines in North America.¹

The investigation arose out of a release of 400 barrels of crude oil into a canal of the Mississippi Delta located near Venice, Louisiana. On April 5, 2010, a third-party contractor struck CPLC's Cypress 10-inch line, resulting in a release of crude oil.

As a result of the investigation, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated January 28, 2011, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that CPLC violated 49 C.F.R. §§ 195.52 and 195.442 and proposed assessing a civil penalty of \$203,700 for the alleged violations.

CPLC responded to the Notice by letter dated March 2, 2011 (Response). The company did not contest the allegations of violation and paid the proposed civil penalty of \$203,700, as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

FINDINGS OF VIOLATION

In its Response, CPLC did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

¹ <http://www.chevron.com/about/ourbusiness/refiningmarketingtransportation/pipelines/>. Accessed on April 22, 2011.

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.52(a)(4), which states:

§ 195.52 Telephonic notice of certain accidents.

(a) At the earliest practicable moment following discovery of a release of the hazardous liquid or carbon dioxide transported resulting in an event described in § 195.50, the operator of the system shall give notice, in accordance with paragraph (b) of this section, of any failure that:

(1) . . .

(4) Resulted in pollution of any stream, river, lake, reservoir, or other similar body of water that violated applicable water quality standards, caused a discoloration of the surface of the water or adjoining shoreline, or deposited a sludge or emulsion beneath the surface of the water or upon adjoining shorelines;

The Notice alleged that Respondent violated 49 C.F.R. § 195.52(a)(4) by failing to give notice at the earliest practicable moment to the National Response Center (NRC) following discovery of a crude oil spill resulting in pollution of a waterway. Specifically, the Notice alleged that CPLC failed to report the spill to the NRC until 11:30 am on April 6, 2010 (Report Number 936259), despite the fact that Respondent's SCADA system recorded a flow rate of 0 at approximately 1:29 am on April 6, 2010. Ultimately, NRC received two third-party reports (Report Numbers 936217 and 936219) prior to CPLC's 11:30 am report, which was recorded approximately 11.5 hours after the accident.

Respondent did not contest this allegation of violation.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.52 by failing to give notice of the release to the NRC at the earliest practicable time upon its discovery of a release that resulted in pollution of a waterway.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.442(a), which states:

§ 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.

The Notice alleged that Respondent violated 49 C.F.R. § 195.442(a) by failing to carry out a written program to prevent damage to its pipeline from excavation activities. Specifically, the Notice alleged that CPLC failed to follow *Section 5: Damage Prevention* of its Core Liquid Pipeline Operating and Maintenance Manual. CPLC personnel failed to examine, locate, and mark company pipelines in the vicinity of a planned excavation that was properly submitted to the NTMS "One Call" system by Berry Brothers General Contracting on March 30, 2010 (Ticket

#100132290). PHMSA's investigation determined that CPLC's Empire/Venice team, under whose auspices the Cypress pipeline falls, did not log onto NTMS to retrieve any "one call tickets" between March 30, 2010, and April 5, 2010. As a result, the pipeline was not properly located and marked according to the Respondent's damage prevention procedures and was subsequently struck by a third- party contractor on April 5, 2010.

Respondent did not contest this allegation of violation.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.442(a) by failing to carry out a written program to prevent damage to its pipeline from excavation activities.

In summary, having reviewed the record and considered the assessment criteria, I assess Respondent a total civil penalty of **\$203,700**, which has already been paid by Respondent.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued