

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 20, 2009

Ms. Meg Yeage
President
ConocoPhillips Pipeline Company
600 North Dairy Ashford, TA 2010
Houston, TX 77079

CPF 5-2009-5018W

Dear Ms. Yeage:

On August 5 to 7, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Yellowstone Pipeline (YPL) in Montana and Idaho.

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. §195.403 Emergency Response Training.

(b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:

(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and

Three ConocoPhillips Pipeline (CPPL) employees in Billings did not have their performance in meeting the objectives of the emergency response training program reviewed in 2007. CPPL records indicate that reviews were done in December 2006 and then again on January 4, 2008 thereby missing their review in calendar year of 2007.

2. **§195.569 Do I have to examine exposed portions of buried pipelines?**
Whenever you have knowledge that any portion of a buried pipeline is exposed, you must examine the exposed portion for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If you find external corrosion requiring corrective action under Sec. 195.585, you must investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

CPPL failed to evaluate the condition of the coating on their buried pipeline when it was exposed. The CPPL Pipeline Maintenance and Leak Report (PMLR) No. YP01-69-GRS-08-002 completed for a foreign line crossing at YPL Station 5853+31 does not indicate the condition of the exposed pipe coating.

3. **§195.573 What must I do to monitor external corrosion control?**
(c) Rectifiers and other devices. You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device	Check frequency
Rectifier.....	At least six times each calendar year, but with intervals not exceeding 2 ½ months
Reverse current switch	
Diode	
Interference bond whose failure would jeopardize structural protection	
Other interference bond	At least once each calendar year, but with intervals not exceeding 15 months.

CPPL failed to electrically check their interference bond at YPL MP 290. CPPL records show that the bond of YPL at MP 290 with a Northwestern natural gas pipeline that was installed in 2004 was not monitored in 2006. This is a non-critical bond so it should have been checked once each calendar year not to exceed 15 months.

4. **§195.583 What must I do to monitor atmospheric corrosion control?**
(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months
Offshore	At least once each calendar year, but with intervals not exceeding 15 months

(b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

It appears that CPPL failed to perform an atmospheric corrosion inspection on the Clarks Fork River pipeline suspension bridge pipe soil-to-air interface on the right bank looking downstream. During this inspection, it was observed that this soil-to-air interface was in poor condition. The poor coating has since been corrected but only after it was noted during our PHMSA field inspection.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in CPPL being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2009-5018W**. 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).

Sincerely,

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

cc: PHP-60 Compliance Registry
 PHP-500 G. Davis (#120781)