



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

400 Seventh Street, S.W.
Washington, D.C. 20590

DEC 15 2005

Mr. Wilson Groen
President
Navajo Nation Oil and Gas Company
P.O. Box 4439
Window Rock, AZ 86515-4439

Re: CPF No. 4-2004-5024

Dear Mr. Groen:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and finds that you have completed the actions specified in the Notice to comply with the pipeline safety regulations. This case is now closed. Your receipt of the Final Order constitutes service under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590**

In the Matter of)
)
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Navajo Nation Oil and Gas Company,)

Respondent)
)
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CPF No. 4-2004-5024

FINAL ORDER

On June 23–26, 2003, pursuant to 49 U.S.C. § 60117, a representative of the Research and Special Programs Administration (RSPA), Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records pertaining to the Running Horse pipeline system in Window Rock, Arizona.¹ As a result of the inspection, the Director, Southwest Region, OPS, issued to Respondent, by letter dated August 12, 2004, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent committed violations of 49 C.F.R. Part 195 and proposed ordering Respondent to take certain measures to correct the alleged violations.

Respondent responded to the Notice by written submissions dated September 9, 2004, June 6, 2005, and August 22, 2005. Respondent did not contest the allegations of violation and provided information concerning completed corrective actions and procedural amendments. Respondent did not request a hearing, and therefore has waived its right to one.

FINDINGS OF VIOLATION

Respondent did not contest the violations alleged in the Notice. Accordingly, I find that Respondent violated the following sections of 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. §§ 195.402(a) and 195.214 – failing to develop written procedures for qualified welding;

¹ The Norman Y. Mineta Research and Special Programs Improvement Act, Pub. L. No. 108-426, 118 Stat. 2423 (2004), created the Pipeline and Hazardous Materials Safety Administration (PHMSA) and transferred the authority of RSPA exercised under chapter 601 of title 49, United States Code, to the Administrator of PHMSA. See also 70 Fed. Reg. 8299, 8301-8302 (2005).

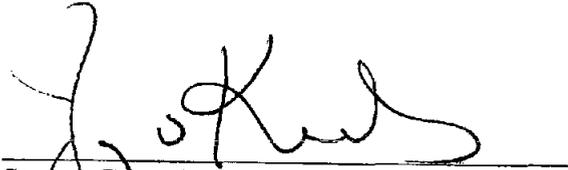
- 49 C.F.R. §§ 195.402(a) and 195.302(a) – failing to develop written procedures for pressure testing;
- 49 C.F.R. §§ 195.402(c)(3) and 195.410(a) – failing to develop written procedures for installing and maintaining line markers over buried pipelines;
- 49 C.F.R. §§ 195.402(c)(3) and 195.420(a) – failing to develop written procedures for maintaining valves in good working order;
- 49 C.F.R. §§ 195.402(c)(3) and 195.426 – failing to develop written procedures for indicating when pressure has been relieved from a scraper barrel or for providing a means to prevent the opening of a scraper barrel if pressure has not been relieved;
- 49 C.F.R. §§ 195.402(c)(3) and 195.428(a) – failing to develop written procedures for testing and inspecting overpressure safety devices;
- 49 C.F.R. §§ 195.402(c)(3) and 195.430 – failing to develop written procedures for maintaining adequate firefighting equipment at pump stations and breakout tank areas;
- 49 C.F.R. §§ 195.402(c)(3) and 195.434 – failing to develop written procedures for maintaining signs visible to the public around pumping stations and breakout tank areas;
- 49 C.F.R. §§ 195.402(c)(3) and 195.579(a) – failing to develop written procedures for investigating the corrosive effects of products transported and taking adequate steps to mitigate internal corrosion;
- 49 C.F.R. § 195.402(c)(14) – failing to develop written procedures for protecting personnel in excavated trenches;
- 49 C.F.R. § 195.420(c) – failing to protect a valve near residences from unauthorized operation and vandalism;
- 49 C.F.R. § 195.426 – failing to have a device to indicate when pressure has been relieved from a scraper barrel;
- 49 C.F.R. § 195.428(a) – failing to ensure that a relief valve at Montezuma creek is adequate from the standpoint of capacity. The valve was set above the allowable 110 percent of maximum operating pressure; and
- 49 C.F.R. § 195.430 – failing to maintain adequate firefighting equipment at the Morgan Lake pumping station. A fire extinguisher at the station had not been tested for approximately two years.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order for the violations of 49 C.F.R. Part 195. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under Chapter 601. The Director, Southwest Region, OPS, has reviewed the corrective actions taken by Respondent and has indicated that the corrective actions have achieved compliance with respect to these violations. Accordingly, since compliance has been achieved, it is not necessary to include the compliance terms in this order.

The terms and conditions of this Final Order are effective on receipt.

for


Stacey Gerard
Associate Administrator
for Pipeline Safety

DEC 15 2005

Date Issued