

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 13, 2010

Richard Hatchett
Western Gas Interstate
211 North Colorado
Midland, Texas 79701

CPF 4-2010-1001

Dear Mr. Hatchett:

On April 14-17, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Western Gas Interstate (WGI) in Guymon, Oklahoma.

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 violation(s) are:

1. §192.463 External corrosion control: Cathodic protection

(a) Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part.

WGI procedure P-192.455 titled "Installation of Cathodic Protection System" identifies the various criteria from appendix D allowed to determine adequate cathodic protection. However, WGI procedure P-192.465(a) titled "Conduct Cathodic Protection Surveys" which references 192.463, only describes and allows one acceptable method for determining cathodic protection in

the section titled “Measure Pipeline-to-Soil Potentials, DC” and that method is the negative voltage of at least 850 millivolts. WGI could not demonstrate compliance with this code requirement as demonstrated in the following table. Further, WGI could not demonstrate compliance with any of the other acceptable criteria found in appendix D.

**Western Gas Interstate
Table 1**

Test Station Location	2009	2008	2007
Note: All readings negative unless otherwise stated			
Three (3) locations with readings 2+ years out of compliance			
Buckles #2 Reg Sta	0.546 mv	0.519 mv	0.756 mv
.25 S Buckles Ranch Entrance	0.609 mv	0.627 mv	0.787 mv
1M N of rectifier #1 @ W House	0.775 mv	0.644 mv	0.708 mv
Nineteen (19) locations with readings 1+ years out of compliance			
1 mi. E. of bacon Tie-In	0.799 mv	0.683 mv	
1 mi. E. of Rect. #9	0.818 mv	0.714 mv	
1 mi. from Last Test Station	0.533 mv	0.746 mv	
Same location as last test station	0.461 mv	0.670 mv	
Clifford Evans Corner	0.763 mv	0.592 mv	
1 mi. from last test station	0.708 mv	0.622 mv	
1 mi. from last test station	0.832 mv	0.735 mv	
1 mi. from Rect. 17	0.765 mv	0.752 mv	
.5M S Rectifier #6	0.698 mv	0.721 mv	
Schertler Reg Sta.	0.655 mv	0.700 mv	
S Smith Sta.	0.664 mv	0.692 mv	
1.3 M North of T/S # 51	0.743 mv	0.729 mv	
1 Mile North	0.750 mv	0.738 mv	
½ Mile North	0.776 mv	0.752 mv	
Steffins	0.717 mv	0.686 mv	
1 Mile North	0.694 mv	0.641 mv	
1 Mile North	0.369 mv	0.641 mv	
Union Lat W Side 287	0.845 mv	0.593 mv	
Sandyview Reg. Sta	0.717 mv	0.674 mv	

2. §192.465 External corrosion control: Monitoring

(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

WGI requires in its “Gas Operations and Maintenance Manual” in section 3.3 Compliance Requirements, that prompt remedial actions per 192.465(d) are implemented per WGI’s 3.37 Table 7: Necessary Compliance Records. However, WGI has no procedures or forms for implementing 192.465(d). The operator should have made all necessary evaluations and decisions based on their cathodic protection readings and completed the necessary actions prior to the next annual cathodic protection survey. As indicated in item 1. above, pipelines showing inadequate test readings for one or more consecutive years indicate inadequate levels of cathodic protection. WGI had not corrected three locations in more than two years and nineteen locations in more than one year, which does not represent a reasonable time for Prompt Remedial Actions.

Proposed Civil Penalty

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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$120,000 as follows:

Item number	PENALTY
1	\$60,000
2	\$60,000

Proposed Compliance Order

With respect to items 1 & 2, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Western Gas Interstate. Please refer to the *Proposed Compliance Order*, which 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 4-2010-1001** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

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 Western Gas Interstate a Compliance Order incorporating the following remedial requirements to ensure the compliance of Western Gas International with the pipeline safety regulations:

1. In regard to Item Number 2 of the Notice pertaining to monitoring the adequacy of cathodic protection, Western Gas Interstate must create new procedures and forms for implementing 192.465(d).
2. Western Gas Interstate must implement corrective measures necessary to remediate the low potentials identified in the inspection and provide documented proof of the corrective measures.
3. In regard to Item Number 1 of the Notice pertaining to the criteria for determining the adequacy of cathodic protection, Western Gas Interstate must submit documentation that shows the required cathodic protection criteria has been met along the continuous length of the pipelines as required by §192.463 and the Western Gas Interstate Operations, Maintenance, and Emergencies Manual. This documentation should include those pipeline segments specifically noted in the spread sheet shown above.
4. Western Gas Interstate shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest 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.