



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 3, 2007

Ms. Sandy Stash
Vice President
Regulatory Compliance and Ethics
BP Exploration (Alaska), Inc.
900 E. Benson Blvd.
Anchorage, AK 99508

SENT TO COMPLIANCE REGISTRY
Hardcopy Electronically
of Copies 1 / Date 5/3/07

CPF 5-2007-5020M

Dear Ms. Stash:

On September 13-14, 2006, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your procedures and records for Operator Qualification in Anchorage, Alaska.

As a result of the inspections, it appears that your written procedures are inadequate to assure safe operation of the pipeline as follows:

1. §192.805 & 195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) Identify covered tasks

BP Exploration Alaska, Inc. (BPXA's) written OQ plan needs provisions to identify the "TRT" inspection procedure for atmospheric corrosion on weld packs as a covered task. Although the individuals are qualified to perform the tasks, the written program does not address the need to qualify individuals to perform the task or address the inspection as a covered task.

2. §192.805 & 195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

BPXA's written OQ plan needs provisions to include the following:

- Designate the acceptable evaluation methods that contractors may utilize when evaluating individuals from an outside source and ensure those qualifications meet BPXA requirements.
- Stipulate that the newly acquired employees deemed unqualified by BPXA officials will receive initial qualification before performing covered tasks without being directed and observed by a qualified individual.

3. §192.805 & 195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;

BPXA's written plan must make clear that the qualified individual is responsible for the performance of a covered task; use the term "direct and observe" or variations of it instead of less specific terms like "supervise" or "be on site" or "at the location".

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 5-2007-5020M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Hoidal', written in a cursive style.

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 B. Hansen (#118110)