

## **WARNING LETTER**

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

July 2, 2009

Mr. Gene Cotton  
Vice President of Refinery  
Big West of California, LLC  
6451 Rosedale Highway  
Bakersfield, CA 93302-1132

**CPF 5-2009-0020W**

Dear Mr. Cotton:

On March 24 and 25, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Bakersfield Gas Line operations in the State of California.

As a result of the inspection, it appears that you have committed violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

**1. §192.605 Procedural manual for operations, maintenance, and emergencies.**

**(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a**

**pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.**

Per §192.605(a), the Operator must conduct a review and update their Operations and Maintenance (O&M) manual at least once each calendar year and at intervals not exceeding 15 months. During the inspection, Big West's record pertaining to procedural manual review was not available for review in year 2007.

**2. §192.605 Procedural manual for operations, maintenance, and emergencies.**

**(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**

**(8) Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.**

Per §192.605(b)(8), the Operator must conduct a review of the work done by their personnel to determine the effectiveness and adequacy of the procedures used in normal O&M and modify the procedure when deficiencies are found. During the inspection, Big West's records pertaining to periodic review by their personnel to determine the effectiveness and adequacy of the procedures were not available for review in years 2006 and 2007.

**3. §192.745 Valve maintenance: Transmission lines.**

**(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.**

**(b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.**

Per §192.745, the Operator must inspect and operate each transmission line valve at intervals not exceeding 15 months. During the inspection, Big West's records pertaining to the valve inspections for Area #1, and between May 18, 2006 and October 11, 2007, exceeded the 15-month intervals by 53 days.

**4. §192.465 External corrosion control: Monitoring.**

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

Per §192.465, the Operator must take prompt remedial action to correct any deficiencies indicated by the corrosion control program. A close-interval-survey (CIS) was completed between June 16 and June 21, 2008 by your contractor, the Mears Group, Inc. The CIS report identified 6,523 feet of “OFF” potentials that were found to be less negative than -0.850 V. However, Big West did not take timely remedial actions to investigate and correct any deficiencies of their cathodic protection (CP) program. Therefore, Big West failed to take prompt remedial action as required by §192.465.

**5. §192.807 Recordkeeping.**

**Each operator shall maintain records that demonstrate compliance with this subpart.**

**(a) Qualification records shall include:**

**(1) Identification of qualified individual(s);**

**(2) Identification of the covered tasks the individual is qualified to perform;**

**(3) Date(s) of current qualification; and**

**(4) Qualification method(s).**

**(b) Records supporting an individual’s current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.**

Per §192.807, the Operator must maintain current qualification records of their personnel performing any covered task. During the record review portion of our inspection, there were no documents available to demonstrate that Big West personnel are qualified to perform the covered tasks for atmospheric corrosion monitoring (§192.481) and patrolling (§192.705). Therefore, Big West failed to maintain the qualification records of their personnel as required by §192.807.

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 item(s) identified in this letter. Failure to do so will result in Big West 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 5-2009-0020W**. 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 H. Nguyen (#123242)