

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 9, 2010

Mr. Steve Pankhurst
Business Unit Leader
Destin Pipeline Company, LLC
BP US Pipeline & Logistics
28100 Torch Parkway
Warrenville, Illinois 60555

CPF 2-2010-1003W

Dear Mr. Pankhurst:

On July 13 – 17, 2009, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your records and procedures in Moss Point, Mississippi and pipeline facilities of Destin Pipeline Company, LLC in Mississippi and the Gulf of Mexico.

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. §192.491 Corrosion control records.**
(c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §§192.465(a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service.

§192.459 External corrosion control: Examination of buried pipeline when exposed.

Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If external corrosion requiring

remedial action under §§192.483 through 192.489 is found, the operator shall 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.

Destin Pipeline did not properly document the examination of its pipeline when exposed.

Destin Pipeline *Repair and Inspection Report* Report Numbers DSN-08-I-0001 and DSN-08-I-0002 are not filled in to document the examination of the condition of the coating in field *A14.e Coating Condition* on the reports.

2. §192.709 Transmission lines: Record keeping.

Each operator shall maintain the following records for transmission lines for the periods specified:

(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

§192.731 Compressor stations: Inspection and testing of relief devices.

(c) Each remote control shutdown device must be inspected and tested at intervals not exceeding 15 months, but at least once each calendar year, to determine that it functions properly.

Destin Pipeline did not have a record documenting the 2005 Pascagoula Compressor Station test of the high discharge pressure shutdown and calibration of the compressor station discharge side pressure transmitter.

Destin Pipeline was unable to provide a copy of the Work Order documenting the calibration of the Pascagoula Compressor Station discharge side pressure transmitter and the test of the PLC set points for the Hi Pressure Point and Hi Hi Pressure Point.

3. §192.709 Transmission lines: Record keeping.

Each operator shall maintain the following records for transmission lines for the periods specified:

(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

§192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—

- (1) In good mechanical condition;**
- (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;**
- (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and**
- (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.**

Destin Pipeline could not provide copies of the inspection records for the inspections of pressure regulating control valve PV-1400 at the Pascagoula Compressor Station.

Destin Pipeline did not have inspection records for pressure regulating control valve PV-1400 which is identified on the Pascagoula Compressor station Fuel Gas Heater / Filter Separator Mechanical Flowsheet drawing DES-C1-A-104.

- 4. §192.479 Atmospheric corrosion control; General.**
 - (a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.**
 - (b) Coating material must be suitable for the prevention of atmospheric corrosion.**
 - (c) Except portions of pipelines in offshore splash zones or soil-to-air interfaces, the operator need not protect from atmospheric corrosion any pipeline for which the operator demonstrates by test, investigation, or experience appropriate to the environment of the pipeline that corrosion will--**
 - (1) Only be a light surface oxide; or**
 - (2) Not affect the safe operation of the pipeline before the next scheduled inspection.**

The recycle line to the Unit #1 Suction Line at the Sand Hill Compressor Station is not coated at the soil-to-air interface.

The coating of the soil-to-air interface on the bypass line at the Pascagoula Compressor Station had deteriorated and surface rust was observed on the pipe.

During the field portion of the inspection at the Sand Hill Compressor Station, light surface rust was observed on the recycle line of the Unit #1 Suction Line at the soil-to-air interface. Upon further examination it was noted that the pipe was not coated.

During the field portion of the inspection at the Pascagoula Compressor Station, light surface rust was observed on the bypass line at the soil-to-air interface. Upon further examination it was noted that the coating on the pipe had deteriorated.

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 Destin Pipeline Company, LLC 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 2-2010-1003W**. 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,

Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration