



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety Administration**

RECEIVED JAN 17 2007

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

JAN - 9 2007

Ms. Meg Yeage
President
ConocoPhillips, Inc.
600 North Dairy Ashford
Houston, TX 77079

Re: CPF No. 3-2003-5007

Dear Ms. Yeage:

Enclosed is the Final Order issued by the Acting Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and specifies actions to be taken to comply with the pipeline safety regulations. The Final Order also makes a finding of inadequate procedures and requires amendment of certain of your operating and maintenance procedures. When the terms of the compliance order and the amendment of procedures are completed, as determined by the Director, Central Region, OPS, this enforcement action will be closed. Your receipt of this Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Ivan Huntoon, Director, Central Region, OPS

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)
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ConocoPhillips, Inc.,)
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Respondent)
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CPF No. 3-2003-5007

FINAL ORDER

On May 1-5, May 15-19, May 22-26, and July 31-August 4, 2000, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety conducted an on-site pipeline safety inspection of Respondent's facilities and records in Bartlesville, Oklahoma and additional facilities in Kansas, Missouri, Illinois, and Indiana. As a result of the inspection, the Director, Central Region, PHMSA, issued to Respondent, by letter dated March 13, 2003, a Notice of Probable Violation, Proposed Compliance Order, and Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed violations of 49 C.F.R. Part 195 and proposed ordering Respondent to take certain measures to correct the alleged violations. The Notice also proposed, in accordance with 49 C.F.R. § 190.237, that Respondent amend its operating and maintenance procedures.

Respondent responded to the Notice by letter dated April 21, 2003 (Response). Respondent did not contest the allegations of violation. Respondent provided information concerning the corrective actions it has taken, submitted copies of its revised procedures, and sought clarification of certain compliance terms. Respondent did not request a hearing, and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, Respondent did not contest the alleged violations 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. § 195.401(b) (Notice Item 1) — failing to timely correct adverse conditions involving external loads on spans along the Gold Line and the Blue Line;

49 C.F.R. § 195.404(b) (Notice Item 3a) — failing to maintain daily records indicating the discharge pressure at the Decatur pump station; and

49 C.F.R. § 195.416(i) (Notice Item 5) — failing to maintain protection against atmospheric corrosion on all components exposed to the atmosphere.¹

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 with respect to Items 1, 3a, and 5. 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.

With respect to Item 3a, Respondent provided information in its response demonstrating that it had installed a discharge recorder at the specified location. Since compliance has been achieved with respect to this item, it is unnecessary to include compliance terms for it in this Order.

With respect to Items 1 and 5, respondent has not demonstrated that compliance has been achieved. Accordingly, pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to Notice Item 1:

(a) Review the criteria for span/exposed pipe assessments to identify conditions which could allow the loading to exceed 90% of SMYS for combined internal and external stresses. Any features exceeding the established criteria shall be further analyzed and remedial action taken. All features such as dents, buckles, metal loss, etc., identified during the inspection shall be remediated in accordance with ConocoPhillips' repair criteria;

(b) Within 60 days following receipt of this Order, develop and submit a written plan and a proposed schedule for addressing the removal of debris from each affected span or other conditions described in Item 1. The necessary remedial measures shall be completed within one year following your receipt of this Order; and

¹ 49 C.F.R. § 195.416(i) (2001). This requirement is now found at 49 C.F.R. § 195.581.

(c) Upon completion of the actions specified in paragraphs (a) and (b), submit records and documentation demonstrating their completion to the Director, Central Region, PHMSA, 901 Locust Street, Suite 462, Kansas City, Missouri 64106-2641.

2. With respect to Notice Item 5:

(a) Review the condition of the coating at each span to determine which spans require remediation of the coating to prevent atmospheric corrosion;

(b) Within 60 days following receipt of this Order, develop and submit a written plan and a proposed schedule for addressing the remediation of the spans. The necessary remedial measures shall be completed within one year following your receipt of this Order; and

(c) Upon completion of the actions specified in paragraphs (a) and (b), submit records and documentation demonstrating their completion to the Director, Central Region, PHMSA, 901 Locust Street, Suite 462, Kansas City, Missouri 64106-2641.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent demonstrating good cause for an extension.

Failure to comply with this Order may result in the assessment of civil penalties of up to \$100,000 per violation per day, or in the referral of the case for judicial enforcement.

AMENDMENT OF PROCEDURES

Item 2 in the Notice alleged inadequacies in Respondent's operating and maintenance procedures and proposed to require amendment of Respondent's procedures to comply with the requirements of 49 C.F.R. Part 195.

With respect to Item 2a, Respondent submitted copies of its amended procedures with its response. The Director reviewed the amended procedures and determined that they now identify the operation of a safety device as an abnormal operation requiring a documented evaluation. Accordingly, I find that Respondent's original procedures as described in the Notice were inadequate to ensure safe operation of its pipeline system, but that Respondent has corrected the specified inadequacy.

With respect to Item 2b, Respondent did not submit revised procedures addressing the inadequacy identified in the Notice. Accordingly, I find that Respondent's procedures are inadequate to assure safe operation of its pipeline system. Pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237, Respondent is ordered to make the following changes to its operating and maintenance procedures:

1. Revise the procedures to address the capture of abnormal discharge pressure between maximum operating pressure (MOP) and the supervisory control and data acquisition system high pressure alarm set up to 10 pounds per square inch above MOP.

2. Within 30 days following receipt of this order, submit the amended procedures to the Director, Central Region, PHMSA, 901 Locust Street, Suite 462, Kansas City, Missouri 64106-2641.

The Regional Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent demonstrating good cause for an extension.

Failure to comply with this Order may result in the assessment of civil penalties of up to \$100,000 per violation per day, or in the referral of the case for judicial enforcement.

WARNING ITEMS

The Notice did not propose a civil penalty or corrective action for Items 3b, 4, or 6 in the Notice. Therefore, these are considered to be warning items. The warnings were for:

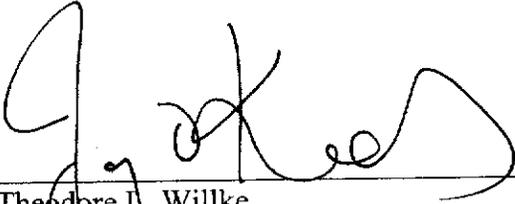
49 C.F.R. § 195.404(b) – failing to maintain records documenting the specified abnormal operating condition;

49 C.F.R. § 195.406((b) – failing to control the pressure on the Conway line within the maximum limit during the specified period; and

49 C.F.R. § 195.428(b) – failing to timely inspect the pressure relief valves on the specified tanks at the Decatur terminal.

Respondent is warned that if it does not take appropriate action to correct these items, enforcement action will be taken if a subsequent inspection reveals a violation.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a petition for reconsideration of this Final Order. Should Respondent elect to do so, the petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The terms of this Order, including any required corrective action and amendment of procedures, remain in full effect unless the Associate Administrator, upon written request, grants a stay. The terms and conditions of this Final Order are effective on receipt.


Theodore L. Willke
Acting Associate Administrator
for Pipeline Safety

JAN - 9 2007

Date Issued