Mr. Ivan Huntoon  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration  
901 Locust Street, Suite 462  
Kansas City, MO  64104-2641

Re: CPF 3-2—7-5001

Dear Mr. Huntoon:

As a result of an onsite inspection conducted of SemCrude, L.P.’s (Sem) Kansas-Oklahoma 4” pipeline during the weeks of May 1-4 and 8-12, 2006 the following probable violation was noted:

195.583 What must I do to monitor atmospheric corrosion control?
   (a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

   ![Inspection Frequency Table]

   (b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbanded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

   (c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by Sec. 195.581.

Atmospheric corrosion inspections were not made since the pipeline was placed in service in 2002 on 28 mainline block valve settings exposed to the atmosphere. The following 28 valve settings had never had an atmospheric corrosion inspection at the time of this PHMSA inspection:

1) End of Line at Blackwell Block Valve, MP -3.5
2) Ambrose Junction 6” Scraper Trap and Block Valves and 4” Scraper Trap and Block Valves, MP -0.5
3) Camel Back Block Valve North Side of Ninnescah River, MP 40.5
4) Wichita Station (Not a pump station) -6” and 4” scraper traps and Block Valves, MP 55
5) Schulte Junction, scraper trap and Block Valve, MP 79
6) 23 below grade block valves located in pits surrounded by a galvanized steel “can” at mile posts 3, 3.3, 6, 10, 16, 20, 25, 26, 30, 35, 40, 45, 50, 51, 51.6, 65.5, 70, 75, 79, 81, 86, and 91.3.

Response: Sem acknowledges that, even though these valves are included in the required 6 month valve inspections, a comprehensive external corrosion inspection form had not been completed for the valves listed above.

After reviewing the valve spacing on this line segment, the decision was made to remove 8 valves. The MP location of the valves removed are as follows: 16, 25, 35, 45, 75, 79, 86, and 91. A copy of the maintenance record associated with the removal of these valves is attached.

The valve located at MP 3 is scheduled to be replaced with a new valve. The valve at MP 3.3 will be inspected, cleaned and re-coated at the same time. It is anticipated that this work will be completed by June 1, 2007. A written notification will be sent to your office when the work is complete and will include the cost to perform the work.

The remaining valves located in “cans” were inspected, cleaned, re-coated and buried. The MP locations of these valves are as follows: 6, 10, 20, 26, 30, 40, 50, 51.4 (there is no block valve at MP 51), 51.6, 65.5, 70, 81, and 91.3. A copy of the maintenance record associated with their recoat as well as a copy of the atmospheric inspection report is attached.

The valves listed in items 1 through 5 above are located at above ground facilities. A copy of the atmospheric inspection reports for these valves and facilities are also attached.

Sem prepared an AFE to cover the cost of removing, recoating and burying these valves. $85,609 was spent.

Sem believes this adequately addresses the Notice of Probable Violation and meets the requirements of the Compliance Order. If you have questions on any of the above or require additional information please contact Edith Coen at 918-640-3384.

Sincerely,

Pete Schwiering
Vice President of Operations
SemCrude, L.P.

Cc: Dick Clary        Guy Shorney        John Christensen        Randy Crank
    Edith Coen        Jim Zang          Patrice Rich