



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

1117 07 2007

901 Locust Street, Suite 462
Kansas City, MO 64106-2641

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 26, 2007

Mr. Myron Hoover
Jayhawk Pipeline
1391 Iron Horse Road
McPherson, Kansas 67460

CPF 3-2007-5003M

Dear Mr. Hoover:

On April 4-8, April 11-15, April 25-29, and May 9-13, 2005, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Jayhawk Pipeline procedures for Operation and Maintenance in field locations in facilities in Kansas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Jayhawk Pipeline's plans or procedures, as described below:

1. §195.402 Procedural Manual for Operations, Maintenance and Emergencies.

§195.402(a) requires that each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.

§195.402(c) indicates that the manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Review of the Operation and Maintenance (O&M) manual found that the following requirements were not adequately covered in the manual or needed to be expanded to provide additional guidance to your personnel. Items (a) through (x) are required to be included in the manual by §195.402(c)(3).

(a) §195.54 Accident reports.

- (b) Whenever an operator receives any changes in the information reported or additions to the original report on DOT Form 7000-1, it shall file a supplemental report within 30 days.**

Procedures did not state that a supplemental report must be filed within 30 days when any changes in the information reported or additions to the original reports of DOT Form 7000-1 are made.

(b) §195.120 Passage of internal inspection devices.

- (a) Except as provided in paragraphs (b) and (c) of this section, each new pipeline and each line section of a pipeline where the line pipe, valve, fitting or other line component is replaced, must be designed and constructed to accommodate the passage of instrumented internal inspection devices.**

Procedures did not state new construction must be designed and constructed to accommodate instrumented internal inspection.

(c) §195.222 Welders: Qualification of welders.

- (b) No welder may weld with a particular welding process unless, within the preceding 6 calendar months, the welder has—**
- (1) Engaged in welding with that process; and**
 - (2) Had one weld tested and found acceptable under Section 9 of API 1104.**

Procedures did not state that welder must have welded in the last 6 months with a particular process and had one weld tested and found acceptable under Section 9 of API 1104.

(d) §195.234 Welds: Nondestructive testing.

- (b) Any nondestructive testing of welds must be performed-**
- (1) In accordance with a written set of procedures for nondestructive testing; and**
 - (2) With personnel that have been trained in the established procedures and in the use of the equipment employed in the testing.**

Procedures did not address the qualifications requirement for personnel to interpret nondestructive test results. Jayhawk uses recommended Practice SNT-TC-1A to

certify Level II or higher personnel to interpret test results. The procedures need to be updated to include this requirement.

(e) §195.266 Construction records.

A complete record that shows the following must be maintained by the operator involved for the life of each pipeline facility:

- (a) The total number of girth welds and the number nondestructively tested, including the number rejected and the disposition of each rejected weld.**
- (b) The amount, location, and cover of each size of pipe installed.**
- (c) The location of each crossing of another pipeline.**
- (d) The location of each buried utility crossing.**
- (e) The location of each overhead crossing.**
- (f) The location of each valve and corrosion test station.**

Procedures did not require construction records, such as welding test results, be kept for the life of the pipeline.

(f) §195.302 General requirements.

- (a) Except as otherwise provided in this section and in §195.305(b) , no operator may operate a pipeline unless it has been pressure tested under this subpart without leakage. In addition, no operator may return to service a segment of pipeline that has been replaced, relocated, or otherwise changed until it has been pressure tested under this subpart without leakage.**

Procedures did not include the requirement to pressure test new pipe.

(g) §195.310 Records.

- (a) A record must be made of each pressure test required by this subpart, and the record of the latest test must be retained as long as the facility tested is in use.**

Procedures did not include the requirement to retain the latest pressure record for the life of the facility.

(h) §195.403 Emergency Response Training.

- (b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:**
 - (2) Make appropriate changes to the emergency response training program as necessary to ensure that it is effective.**

Procedures did not include the requirement to, at intervals not exceeding 15 months, but at least once each calendar year, make appropriate changes to the emergency response training program as necessary to ensure that it is effective.

(i) **§195.404 Maps and Records.**

(c) **Each operator shall maintain the following records for the periods specified;**

(3) **A record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.**

Procedures did not include the requirement to maintain a record of each inspection and test required by Subpart F for at least 2 years or until the next inspection or test is performed, whichever is longer.

(j) **§195.406 Maximum operating pressure.**

(b) **No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.**

Procedures did not include the requirement to provide adequate controls and protective equipment to prevent the pressure from exceeding 110 percent of the maximum operating pressure limit.

(k) **§195.428 Overpressure safety devices and overfill protection systems**

(d) **After October 2, 2000, the requirements of paragraphs (a) and (b) of this section for inspection and testing of pressure control equipment apply to the inspection and testing of overfill protection systems.**

Procedures did not include any of the requirements for inspecting and testing of overfill protection systems.

(l) **§195.436 Security of facilities.**

Each operator shall provide protection for each pumping station and breakout tank area and other exposed facility (such as scraper traps) from vandalism and unauthorized entry.

Procedures did not include the requirement for each pumping station and breakout tank area and other exposed facility to have protection from vandalism and unauthorized entry.

(m) **§195.440 Public awareness**

(g) **The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area.**

Procedures did not include the requirement for the public awareness program to be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area.

(n) §195.442 Damage Prevention Program

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:

- (1) Include the identity, on a current basis of persons who normally engage in excavation activities in the area in which the pipeline is located.**
- (4) If the operator has buried pipelines in the area of excavation activity, provide for actual notification of persons who give notice of their intent to excavate of the type of temporary markings to be provided and how to identify the markings.**
- (6) Provide as follows for inspection of pipelines that an operator has reason to believe could be damaged by excavation activities:**
 - (i) The inspection must be done as frequently as necessary during and after the activities to verify the integrity of the pipeline; and**

Procedures did not include the requirement for the damage prevention program to include the identity, on a current basis of persons who normally engage in excavation activities in the area in which the pipeline is located, per §195.442(c)(1).

Procedures did not include the requirement for the damage prevention program to include the requirement that, if the operator has buried pipelines in the area of excavation activity, the operator is to provide for actual notification of persons who give notice of their intent to excavate of the type of temporary markings to be provided and how to identify the markings, per §195.442(c)(4).

Procedures did not include the requirement for the damage prevention program to include the requirement that inspections must be done as frequently as necessary during and after the excavation activities to verify the integrity of the pipeline per, §195.442(c)(6)(i).

(o) §195.555 What are the qualifications for supervisors?

You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under Sec. 195.402(c)(3) for which they are responsible for insuring compliance.

Procedures did not include the requirement and verification that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures for which they are responsible for insuring compliance.

- (p) **§195.557 Which pipelines must have coating for external corrosion control? Except bottoms of aboveground breakout tanks, each buried or submerged pipeline must have an external coating for external corrosion control if the pipeline is--**
- (a) **Constructed, relocated, replaced, or otherwise changed after the applicable date in Sec. 195.401(c), not including the movement of pipe covered by Sec. 195.424; or**

Procedures did not include the requirement for each buried or submerged pipeline to have an external coating for external corrosion control.

- (q) **§195.559 What coating material may I use for external corrosion control? Coating material for external corrosion control under Sec. 195.557 must--**
- (a) **Be designed to mitigate corrosion of the buried or submerged pipeline;**
 - (b) **Have sufficient adhesion to the metal surface to prevent under film migration of moisture;**
 - (c) **Be sufficiently ductile to resist cracking;**
 - (d) **Have enough strength to resist damage due to handling and soil stress;**
 - (e) **Support any supplemental cathodic protection; and**
 - (f) **If the coating is an insulating type, have low moisture absorption and provide high electrical resistance.**

Procedures did not include the requirements for the coating material used for external corrosion control per §195.559 (a), (b), (c), (d), (e), and (f).

- (q) **§195.561 When must I inspect pipe coating used for external corrosion control?**
- (a) **You must inspect all external pipe coating required by Sec. 195.557 just prior to lowering the pipe into the ditch or submerging the pipe.**
 - (b) **You must repair any coating damage discovered.**

Procedures did not include the requirement for inspecting pipe external coating just prior to lowering the pipe into the ditch or submerging the pipe and repairing any coating damage discovered.

- (r) **§195.569 Do I have to examine exposed portions of buried pipelines? Whenever you have knowledge that any portion of a buried pipeline is exposed, you must examine the exposed portion for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If you find external corrosion requiring corrective action under Sec. 195.585, you must 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.**

Procedures did not include the requirements for, if you find external corrosion requiring corrective action, investigating 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.

- (s) **§195.573 What must I do to monitor external corrosion control?**
- (a) **Protected pipelines. You must do the following to determine whether cathodic protection required by this subpart complies with Sec. 195.571:**
 - (2) **Identify before December 29, 2003 or not more than 2 years after cathodic protection is installed, whichever comes later, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE Standard RP0169-96 (incorporated by reference, see Sec. 195.3).**
 - (d) **Breakout tanks. You must inspect each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank to ensure that operation and maintenance of the system are in accordance with API Recommended Practice 651. However, this inspection is not required if you note in the corrosion control procedures established under Sec. 195.402(c)(3) why compliance with all or certain operation and maintenance provisions of API Recommended Practice 651 is not necessary for the safety of the tank.**

Procedures did not include the requirements for identifying, before December 29, 2003 or not more than 2 years after cathodic protection is installed, whichever comes later, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE Standard RP0169-96.

Procedures did not include the requirements for providing cathodic protection systems for use in controlling corrosion on the bottom of an aboveground breakout tank per §195.573(d).

- (t) **§195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?**
- (a) **You must electrically isolate each buried or submerged pipeline from other metallic structures, unless you electrically interconnect and cathodically protect the pipeline and the other structures as a single unit.**
 - (b) **You must install one or more insulating devices where electrical isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control.**
 - (c) **You must inspect and electrically test each electrical isolation to assure the isolation is adequate.**
 - (d) **If you install an insulating device in an area where a combustible**

atmosphere is reasonable to foresee, you must take precautions to prevent arcing.

- (e) **If a pipeline is in close proximity to electrical transmission tower footings, ground cables, or counterpoise, or in other areas where it is reasonable to foresee fault currents or an unusual risk of lightning, you must protect the pipeline against damage from fault currents or lightning and take protective measures at insulating devices.**

Procedures did not include the requirements for which facilities must be electrically isolated and what inspections, tests, and safeguards are required per §195.575 (a), (b), (c), (d), and (e).

- (u) **§195.577 What must I do to alleviate interference currents?**
 - (a) **For pipelines exposed to stray currents, you must have a program to identify, test for, and minimize the detrimental effects of such currents.**
 - (b) **You must design and install each impressed current or galvanic anode system to minimize any adverse effects on existing adjacent metallic structures.**

Procedures did not include the requirements for what must be done to alleviate interference currents per §195.577 (a) and (b).

- (v) **§195.579 What must I do to mitigate internal corrosion?**
 - (c) **Removing pipe. Whenever you remove pipe from a pipeline, you must inspect the internal surface of the pipe for evidence of corrosion. If you find internal corrosion requiring corrective action under Sec. 195.585, you must investigate circumferentially and longitudinally beyond the removed pipe (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed pipe.**

Procedures did not include the requirements for what must be done to mitigate internal corrosion by inspecting the internal surface of the pipe whenever a piece is removed and, if you find internal corrosion, you must investigate circumferentially and longitudinally beyond the removed pipe (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed pipe.

- (w) **§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:**

| | |
|------------------------------------|---|
| If the pipeline is located: | Then the frequency of inspection is: |
| Onshore | At least once every 3 calendar years, but with intervals not exceeding 39 months |

Offshore

At least once each calendar year, but with intervals not exceeding 15 months

- (b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded 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.**

Procedures did not include the requirements for what must be done to monitor atmospheric corrosion control per §195.583 (a), (b), and (c).

- (x) §195.589 What corrosion control information do I have to maintain?**
 - (a) You must maintain current records or maps to show the location of--**
 - (1) Cathodically protected pipelines;**
 - (2) Cathodic protection facilities, including galvanic anodes, installed after January 28, 2002; and**
 - (3) Neighboring structures bonded to cathodic protection systems.**
 - (b) Records or maps showing a stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode.**
 - (c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to Secs. 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.**

Procedures did not include the requirements for what corrosion control information must be maintained per §195.589 (a), (b), and (c).

- 2. §195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

Procedures did not include the requirement to review the manual at intervals not exceeding 15 months, but at least once each calendar year, and to make appropriate changes as necessary to insure that the manual is effective.

3. §195.402 Procedural manual for operations, maintenance, and emergencies.

- (c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
- (6) Minimizing the potential for hazards identified under paragraph (c)(4) of this section and the possibility of recurrence of accidents analyzed under paragraph (c)(5) of this section.**
 - (7) Starting up and shutting down any part of the pipeline in a manner designed to assure operation within the limits prescribed by paragraph §195.406, consider the hazardous liquid or carbon dioxide in transportation, variations in altitude along the pipeline, and pressure monitoring and control devices.**
 - (11) Minimizing the likelihood of accidental ignition of vapors in areas near facilities identified under paragraph (c)(4) of this section where the potential exists for the presence of flammable liquids or gases.**
 - (14) Taking adequate precautions in excavated trenches to protect personnel from the hazards of unsafe accumulations of vapor or gas, and making available when needed at the excavation, emergency rescue equipment, including a breathing apparatus and, a rescue harness and line.**

Procedures did not include the requirement to minimize the potential for hazards and the possibility of recurrence of accidents per §195.402(c)(6).

Procedures did not include the requirement to start up and shut down any part of the pipeline within design limits per §195.402(c)(7).

Procedures did not include the requirement to minimize the likelihood of accidental ignition of vapors in immediate response areas per §195.402(c)(11).

Procedures did not include the requirement to take adequate precautions in excavated trenches to protect personnel from the hazards of unsafe accumulations of vapor or gas, and making available when needed at the excavation, emergency rescue equipment, including a breathing apparatus and, a rescue harness and line per §195.402(c)(14).

Response to this Notice

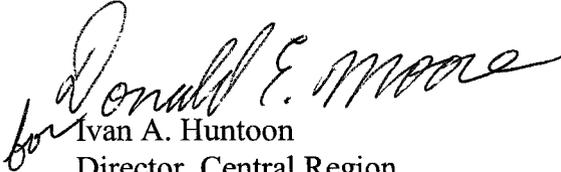
This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. **Be advised that all material you 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 3-2007-5003M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

for Ivan A. Huntoon

Director, Central Region
Pipeline and Hazardous Materials Safety Administration

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