

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED CIVIL PENALTY**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

July 16, 2009

Jim Lamanna, President  
BP Pipelines (North America) Inc.  
Mail Code 7018  
28100 Torch Parkway  
Warrenville, IL 60555

**CPF 3-2009-5009**

Dear Mr. Lamanna:

During the weeks of November 12, 2007 and February 25, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your BP Oil Pipeline Company (BP) records and facilities in Ohio.

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 violations are:

**1. §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.**

BP permitted the pressure in a pipeline to exceed 110 percent of the pipeline's maximum operating pressure. On August 31, 2007, BP experienced an inadvertent valve closure at the Fostoria Station that resulted in the Toledo to Fostoria, Ohio section of the TR10 pipeline exceeding 110% of its Maximum Operating Pressure (MOP) by 3.7 psi. BP had controls and protective equipment installed on the pump at Toledo, but the pre-determined set pressures and operation of these devices did not prevent this overpressure.

**2. §195.420 Valve maintenance.**

**(a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.**

BP did not maintain each valve necessary for the safe operation of its pipeline system in good working condition. During the inspection, valve numbers 2 and 3 on the Lima to Columbus pipeline were not in good working order. At the time of the inspection, the ambient temperature was below freezing. Neither valve could be closed when 2 workmen applied steady pressure to the valve handle. Both valves were slightly closed with tremendous efforts and did not operate freely when re-opened. Your personnel inspected the valves and found water contaminated grease in the above ground valve extension which froze preventing proper operation of the valves.

**3. §195.428 Overpressure safety devices and overflow protection systems**

**(a) Each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.**

BP did not inspect overpressure safety devices at the Lima Pump Station during the calendar year 2006. At Lima, Ohio, BP had contracted Buckeye Pipeline to inspect, maintain and operate the pumps and control equipment that moves products through BP's SL10, SL8, SL12, and NL8 pipelines. The units at this location are pumps # 41, 42, 43, 44, 45, and 46. The inspection records show that during calendar year 2006, Buckeye did not inspect the high pressure shutdown and high pressure case shutdown pressure switches (overpressure protection) for the pumping units. The 2006 inspections were performed in January 2007.

#### 4. §195.440 Public awareness

**(a) Each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (IBR, see § 195.3).**

BP did not properly implement its written public education program. BP did not meet the provision of its public education program that requires notification of residents/occupants within 2640 feet of its HVL pipelines.

BP's written public education program identifies a stakeholder audience as residents/occupants located adjacent to the liquid pipeline ROW. The plan presents the audience definition as residents/occupants who reside within a defined buffer adjacent to a natural gas and/or hazardous liquid transmission pipeline ROW. Buffer is defined as: 660 feet – Total ¼ mile either side of the pipeline for Non-HVL's and 2640 feet – Total 1 mile either side of the pipeline for HVL's. The targeted audience is residents/occupants. The media method is a Public Awareness Mailer with a frequency of a two year rotation.

BP operates an HVL pipeline from Toledo, Ohio to Lima, Ohio. During the inspection, it was discovered that BP had only sent public education mailers to residents/occupants living within a 660 feet radius of the pipeline, rather than the required 2640 feet. In response to the inspection, BP mailed public awareness mailers to the un-notified residents/occupants associated with the HVL pipeline.

#### 5. §195.583 What must I do to monitor atmospheric corrosion control?

**You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion...**

**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.**

BP had not inspected and monitored an exposed portion of pipeline for atmospheric corrosion. During the inspection, an exposure was discovered on the Miami Valley System. At the time of the inspection, the exposure was underwater. Due to the seasonal fluctuation of water in this small stream, this exposure could require atmospheric corrosion inspection. The exposure was not on BP's list of areas requiring atmospheric corrosion inspections.

#### Proposed Civil Penalty

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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of \$66,300 as follows:

<u>Item number</u>	<u>PENALTY</u>
2	\$66,300

#### Warning Items

With respect to items 1, 3, 4 and 5, 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 promptly correct these items. Be advised that failure to do so may result in BP being subject to additional enforcement action.

#### Response to this Notice

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.

In your correspondence on this matter, please refer to **CPF 3-2009-5009** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Ivan A. Huntoon  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration

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