

AUG 6 2010

Mr. Wes Christensen
Senior Vice President, NGL Operations
ONEOK North System, L.L.C.
100 West 5th Street
Tulsa, Oklahoma 74103

Re: CPF No. 3-2009-5019

Dear Mr. Christensen:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and specifies actions that need to be taken by ONEOK North System, L.L.C., to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Central Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. David Barrett, Director, Central Region, PHMSA

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7009 1410 0000 2472 2698]

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

In the Matter of)

ONEOK North System, L.L.C.,)
a subsidiary of ONEOK Partners, L.P.,)

Respondent.)
_____)

CPF No. 3-2009-5019

FINAL ORDER

On April 8-10, June 7-12, and July 20-23, 2009, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of ONEOK North System, L.L.C. (ONEOK or Respondent), in Conway, Kansas; Morris, Illinois; and Lemont, Illinois. ONEOK, a subsidiary of ONEOK Partners, L.P., operates a pipeline system that transports natural gas liquids and refined products from Kansas to Illinois, Nebraska, Iowa, and Missouri.

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated October 26, 2009, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that ONEOK had violated 49 C.F.R. § 195.412(a) and proposed ordering Respondent to take certain measures to correct the alleged violation. The Notice also proposed finding that Respondent had committed certain other probable violations of 49 C.F.R. Part 195 and warned Respondent to take appropriate corrective action or be subject to future enforcement action.

ONEOK responded to the Notice by letter dated November 30, 2009 (Response). The company did not contest the allegation of violation and provided information concerning the corrective actions it had taken and planned to take. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, ONEOK did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a), which states:

§ 195.412 Inspection of rights-of-way and crossings under navigable waters.

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a) by failing to adequately inspect the surface conditions on and adjacent to its pipeline rights-of-way. Specifically, the Notice alleged that three areas along two pipelines' rights-of-way were covered by trees and brush and that Respondent's use of aerial patrolling as its inspection method did not allow surface conditions to be observed. Respondent did not contest this allegation of violation. Based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.412(a) by failing to adequately inspect the surface conditions on and adjacent to its pipeline rights-of-way.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 3 in the Notice for the violation of 49 C.F.R. § 195.412(a). 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.

In its Response, ONEOK expressed its intent to complete the actions set forth in the proposed compliance order and described the actions it had initiated thus far. These actions included:

- Clearing two of the three overgrown areas referenced in Item 3 and partially clearing the third area, which was expected to be completed during the winter of 2009-2010;
- Generating a work order for a ground patrol to inspect these areas until they are fully cleared;
- Ensuring that the Damage Prevention Supervisor reviews ONEOK's aerial patrol guidelines with the contract patrol pilot; and
- Clearing additional overgrown areas identified by its pilot.

ONEOK has thus partially satisfied the proposed compliance order, but not all final right-of-way clearing plans and actions are fully completed.

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:

With respect to the violation of § 195.412(a) (**Item 3**):

1. Respondent must develop a plan and schedule of action for clearing areas along its pipeline rights-of-way where aerial patrolling will be used. This plan must identify any areas throughout Respondent's entire system where pipeline rights-of-way are overgrown and will remain overgrown while awaiting clearing. The plan must provide for a ground-based means of patrolling overgrown areas until they are cleared. Respondent must provide this plan and schedule of action to the Director, Central Region within 30 days from the date of receipt of this Final Order, and must implement the plan and schedule of action within 60 days from the date of receipt of this Final Order.
2. Respondent must maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director, Central Region. Costs must be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies, and analyses, and 2) total cost associated with replacements, additions, and other changes to pipeline infrastructure.

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 and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEMS

With respect to Items 1, 2, and 4, the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.403(b) (**Item 1**) — Respondent's alleged failure to review with personnel their performance in meeting the objectives of the emergency response training program at least every 15 months.

49 C.F.R. § 195.404(a) (**Item 2**) — Respondent's alleged failure to maintain current maps of its pipeline system. The Notice alleged that Respondent's maps did not reflect foreign line crossings and a bypass line that had been installed more than a year before the inspection.

49 C.F.R. § 195.420(b) (**Item 4**) — Respondent's alleged failure to inspect certain valves at intervals not exceeding 7 ½ months.

ONEOK presented information in its Response showing that it had taken certain actions to address the cited items. Accordingly, having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that probable violations of 49 C.F.R. §§ 195.403(b) (Notice Item 1), 195.404(a) (Notice Item 2), and 195.420(b) (Notice Item 4) have occurred, and Respondent is hereby advised to correct such conditions. In the event that OPS finds a violation of these provisions in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued