

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 21, 2011

Mr. David Minielly
Vice President of Operations
White Cliffs Pipeline, LLC
11501 South I-44 Service Road
Oklahoma City, OK 73173

CPF 3-2011-5012

Dear Mr. Minielly:

On May 23-27, 2011 and June 20-23, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected White Cliffs Pipeline, LLC (White Cliffs) records in Platteville, Colorado and field facilities in the state of Kansas.

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. §195.214 Welding procedures

- (b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

White Cliffs did not retain the results of the qualifying test for Butt Weld Procedure BW-2. PHMSA reviewed the records for the November 18 to 19, 2009 installation of two 12” block valves near the Arkansas River crossing when procedure BW-2 was used. White Cliffs could not locate the results of BW-2 qualifying test. As a result of PHMSA’s inspection, White Cliffs re-qualified the BW-2 procedure on June 15, 2011.

2. §195.260 Valves: Location.

A valve must be installed at each of the following locations

- (e) On each side of a water crossing that is more than 100 feet (30 meters) wide from high-water mark to high-water mark unless the Administrator finds in a particular case that valves are not justified.

During construction White Cliffs did not install a valve on each side of the Arkansas River crossing that has a high-water mark to high-water mark that is 120 feet wide. The White Cliffs Pipeline was placed into initial service June 1, 2009. Following an emergency response drill conducted in the Fall of 2009, White Cliffs measured the Arkansas River high-water mark to high-water mark at 120 feet, then installed the required valves on November 18, 2009.

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 violation and has recommended that you be preliminarily assessed a civil penalty of \$27,600 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$11,200
2	\$16,400

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 3-2011-5012** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

David Barrett
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

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