

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 25, 2013

Mr. Troy Valenzuela  
Vice President – Environmental Health and Safety  
Plains Pipeline, L.P.  
333 Clay Street  
Suite 1600  
Houston, TX 77002

CPF 3-2013-5007W

Dear Mr. Valenzuela:

On October 8-12, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your records in Belfield, ND and your facilities in Montana and North Dakota.

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 violation(s) are:

**1. §195.432 Inspection of in-service breakout tanks.**

**(b) Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to API Standard 653 (incorporated by reference, see § 195.3). However, if structural conditions prevent access to the tank bottom, the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under § 195.402(c)(3).**

At the Trenton Station, Plains has not inspected breakout tanks 88051 and 88040 per API 653 since 2009.

The Trenton Gathering System was originally considered non-jurisdictional until the gathering and low stress rules were promulgated. At that time of the inspection, Plains designated only the pipelines of that system located near or within an HCA as jurisdictional. However, Plains did not consider the Trenton facility as jurisdictional. After this issue was brought out in the inspection, Plains reviewed their HCA maps and agreed that the facility was jurisdictional since it was located within an HCA. Plains provided dates of inspections in accordance with the EPA regulations since the time of installation. However, these inspections did not meet API 653 requirements. Plains immediately scheduled the API 653 5 year UT external inspections which were completed in November 2012. The API 653 out-of-service inspections are scheduled for April and May of 2013.

**2. §195.404 Maps and Records.**

**(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information;**

**(3) The maximum operating pressure of each pipeline.**

Plain's maximum operating pressure (MOP) records did not accurately indicate the MOP of the Trenton Gathering System consistent with §195.406(a).

On the Four Mile to Ft Buford 10" line, the documentation indicated that the MOP was 1440 psig based on an 1800 psig pressure test. However, the determination worksheet indicated that the design pressure of the pipe was 1407 psig. The MOP should be 1407 psig since that pressure is lower of the two. On the Ft. Buford to Hwy 1804 6" section, the same 1440 psig MOP was established based on an 1800 psig pressure test. However, the design pressure on the 6" line was 1424 psig. The MOP should have been documented as 1424 psig since that was the lower of the two pressures. A review of operating pressure records indicated that the lower MOP's were not exceeded.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. 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 correct the item(s) identified in this letter. Failure to do so will result in Plains Pipeline, L.P. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 3-2013-5007W**. 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).

Sincerely,

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