U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington, DC 20590

JUL 09 2015

Mr. Tom Jensen
President and CEO
Explorer Pipeline Company
P.O. Box 2650
Tulsa, OK 74101

Re: CPF No. 3-2013-5009

Dear Mr. Jensen:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation, assesses a civil penalty of $91,900, and specifies actions that need to be taken by Explorer Pipeline Company to comply with the pipeline safety regulations. The penalty payment terms are set forth in the Final Order. When the civil penalty has been paid and the terms of the compliance order completed, as determined by the Director, Central Region, OPS, this enforcement action will be closed. Service of the Final Order is made pursuant to 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

for Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Allan Beshore, Director, Central Region, Office of Pipeline Office
Mr. Kevin Brown, DOT Administrator, Explorer Pipeline Company
P.O. Box 2650, Tulsa, OK 74101

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

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

In the Matter of	)	
Explorer Pipeline Company,	)	**CPF No. 3-2013-5009**
Respondent.	)	

FINAL ORDER

On November 7-10, 2011, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted a safety inspection of the pipeline system and associated records of Explorer Pipeline Company (Explorer or Respondent) in Oklahoma and Illinois.[1]

As a result of the inspection, the Director, Central Region, OPS (Director), issued a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice) on March 26, 2013. In accordance with 49 C.F.R. § 190.207, the Notice alleged that Respondent had committed four violations of the pipeline safety regulations in 49 C.F.R. Part 195. The Notice proposed a civil penalty of $91,900 and proposed that corrective action be taken.[2]

Explorer responded to the Notice by letter dated May 1, 2013 (Response). In its Response, Explorer contested one of the alleged violations and requested a hearing. Explorer provided a summary of its position and additional materials in two pre-hearing submissions dated October 3, 2013 (First Pre-hearing Submission), and January 17, 2014 (Second Pre-hearing Submission). In accordance with 49 C.F.R. § 190.211, a hearing was held April 16, 2014, in Kansas City, Missouri, before a Presiding Official from the Office of Chief Counsel, PHMSA. The Presiding Official attended by video teleconference pursuant to § 190.211(c). Explorer submitted a post-hearing summary on May 13, 2014 (Post-hearing Summary).

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[1] Explorer operates approximately 1,800 miles of pipeline transporting refined petroleum products from Texas to states in the Midwest, as reported for calendar year 2013 pursuant to 49 C.F.R. § 195.49.

[2] The Notice was issued in conjunction with a separate Notice of Amendment (CPF No. 3-2013-5010M). An Order Directing Amendment in that case is being issued separately.

FINDINGS OF VIOLATION

The Notice alleged that Respondent committed four violations of the pipeline safety standards in 49 C.F.R. Part 195. Respondent did not contest the violations alleged in Items 1, 2, and 4, which are discussed first. Item 3, which is contested, is discussed next.

Uncontested Items

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.589(c), which states:

> **§ 195.589 What corrosion control information do I have to maintain?**
>
> (a) . . . .
>
> (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 §§ 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.

The Notice alleged that Respondent violated § 195.589(c) by failing to maintain a record of each atmospheric corrosion inspection for at least 5 years. Respondent did not have records documenting certain atmospheric corrosion inspections performed between 2007 and 2010.

Respondent did not contest the alleged violation and explained that it has made improvements to its recordkeeping system. Having reviewed the record, PHMSA finds Respondent violated § 195.589(c) as alleged in the Notice.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.569, which states:

> **§ 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 § 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.

The Notice alleged that Respondent violated § 195.569 by failing to examine an exposed portion of buried pipeline. Records from a close interval survey performed in June 2008 identified an exposed portion of pipeline in a creek. During the OPS inspection in November 2011, the same

portion of pipeline was still exposed. Respondent could not demonstrate that it had conducted a documented examination of the exposed pipeline as required.

Respondent did not contest the alleged violation and explained that it has made improvements to its communication processes. Under the new procedures, corrosion control personnel will be alerted when examinations are needed for exposed pipelines. Having reviewed the record, PHMSA finds Respondent violated § 195.569 as alleged in the Notice.

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 195.264(a), which states:

> **§ 195.264 Impoundment, protection against entry, normal/ emergency venting or pressure/vacuum relief for aboveground breakout tanks.**
>
> (a) A means must be provided for containing hazardous liquids in the event of spillage or failure of an aboveground breakout tank.

The Notice alleged that Respondent violated § 195.264(a) by failing to provide impoundment for one breakout tank at the Gerald Pump Station so that spillage or failure of the tank would be contained.

Respondent did not contest the alleged violation and explained that it has installed dikes at the facility. Having reviewed the record, PHMSA finds Respondent violated § 195.264(a) as alleged in the Notice.

Contested Item

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 195.573(e), which states:

> **§ 195.573 What must I do to monitor external corrosion control?**
>
> (a) . . . .
>
> (e) *Corrective action.* You must correct any identified deficiency in corrosion control as required by § 195.401(b). However, if the deficiency involves a pipeline in an integrity management program under § 195.452, you must correct the deficiency as required by § 195.452(h).
>
> §195.401 General requirements.
>
> (a) . . . .
>
> (b) An operator must make repairs on its pipeline system according to the following requirements:
>
> (1) *Non Integrity management repairs.* Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it must correct the condition within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

The Notice alleged that Respondent violated § 195.573(e) by failing to correct corrosion control deficiencies identified by a close interval survey (CIS). The CIS was performed in 2008 on two pipeline sections, the Rolla to Gerald Station section and the Gerald Station to Weldon Springs section. The Notice alleged that Explorer was unaware of deficiencies identified by the 2008 CIS until they were brought to the attention of the Company during the OPS inspection in November 2011. The Notice alleged this was a repeat violation.[3]

At the hearing and in its written submissions, Respondent stated that there were never any deficiencies in cathodic protection. Respondent contended that each of its annual cathodic protection surveys conducted from 2008 through 2012 met regulatory criteria.[4] Respondent acknowledged that the 2008 CIS results identified some locations where instant off readings were less negative than the -850mv criteria, but Respondent asserted that all of those locations still met the -850mV criteria or, alternatively, the 100mV shift criteria.

Specifically, Respondent concluded that the locations met at least one of the applicable criteria based on the following considerations: (1) the annual 2008 pipe-to-soil survey conducted following the 2008 CIS indicated potentials were more negative than -850mV; (2) an historical review of the cathodic protection records were conducted and evaluated; (3) dig reports on the pipeline were conducted and evaluated; (4) potential measurements via dig reports were reviewed and evaluated; (5) 2007 inline inspection data was evaluated; and (6) depolarization survey on the annual survey and native readings were evaluated and confirmed to have 100mV of polarization.[5] Respondent noted that another operator's use of a similar methodology to verify the adequacy of cathodic protection was accepted by PHMSA in a 2004 enforcement action.[6]

At the hearing on April 16, 2014, OPS reiterated its position that Explorer committed a violation of § 195.573(e) by failing to promptly correct corrosion control deficiencies, noting that Respondent never performed any actions to verify the pipeline met criteria following the 2008 CIS until more than three years later.

A. Applicable Safety Standards for Addressing Cathodic Protection Deficiencies

Buried pipelines that transport hazardous liquids must have cathodic protection systems installed to protect the pipelines from external corrosion.[7] A cathodic protection system with an impressed current prevents corrosion by applying direct electric current to the pipeline in an

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[3] The prior violation referenced was CPF No. 3-2009-5018, Item 2, 2011 WL 4351591 (Jul. 22, 2011). Final orders can also be viewed on PHMSA's website at http://www.phmsa.dot.gov/pipeline/enforcement (follow links for enforcement since 2002 and then for final orders issued by year).

[4] Post-hearing Summary at 2-3.

[5] First Pre-hearing Submission at 4.

[6] Response at 6-7; Post-hearing Summary at 3.

[7] § 195.563.

amount sufficient to prevent metal loss to the surrounding environment.[8] Operators must maintain a minimum level of cathodic protection, and they must monitor the protection to ensure it is adequate to prevent corrosion.[9]

Criteria for determining the adequacy of cathodic protection are listed in NACE SP0169-2007, a consensus standard incorporated by reference at §§ 195.571 and 195.3. One of the criteria is a negative potential of at least 850mV with the cathodic protection applied, known as the -850mV criterion.[10] Another one is 100mV or more of cathodic polarization between the structure surface and a stable reference electrode contacting the electrolyte.[11] This is known as the 100mV criterion.

Operators must monitor cathodic protection to ensure it complies with one or more of the applicable criteria.[12] Monitoring must be performed through annual tests of the cathodic protection and by using CIS, where necessary.[13] After an operator performs a cathodic protection test or survey, the operator is required to correct any "identified deficiency" under § 195.573(e). In addition, § 195.401(b) states that whenever an operator discovers a condition that could adversely affect safe operation, the operator must correct the condition "within a reasonable time." PHMSA has previously stated that, generally, a reasonable time for an operator to correct an identified deficiency in cathodic protection is before the next annual inspection cycle.[14]

B. Evidence in the Record

PHMSA reviews the evidence to determine if Respondent violated § 195.573(e) by failing to correct within a reasonable time corrosion control deficiencies identified by the 2008 CIS.

The evidence in the record includes reports from the 2008 CIS. The report for the Gerald to Weldon Springs line section lists "Cathodic Protection Related Deficienc[ies]" at station numbers 16940+35, 17816+07-17883+34, and 17916+42-17937+14.[15] A separate report for the

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[8] *Kinder Morgan Energy Partners, L.P.*, CPF 4-2006-5023, Item 4 at p. 6-7, 2010 WL 6531634 (Aug. 31, 2010).

[9] §§ 195.571 and 195.573.

[10] NACE SP0169-2007, paragraph 6.2.2.1.1. An instant-off reading that is less negative than -850mV indicates there is inadequate cathodic protection when using the -850mV criteria. Panhandle Energy, CPF No. 3-2010-1006M, Item 19 at p. 8-11, 2012 WL 7177132 (Dec. 31, 2012).

[11] NACE SP0169-2007, paragraph 6.2.2.1.3.

[12] §§ 195.571 and 195.573.

[13] § 195.573(a).

[14] *See, e.g.*, Holly Energy Partners, L.P., CPF No. 4-2010-5007, Item 2, 2010 WL 6539186 (Oct. 18, 2010) (finding a violation for inadequate cathodic protection readings during two consecutive years); Sunoco Logistics Partners, LP, CPF No. 3-2010-5012, Item 4, 2012 WL 4846329 (Aug. 30, 2012) (finding a violation for failing to address deficiencies identified during CIS for more than three years).

[15] OPS Pipeline Safety Violation Report (Mar. 26, 2013), Exhibit A-3. The report also lists a number of "marginal" deficiencies, but at the hearing OPS stated those deficiencies were not part of the alleged violation.

Rolla to Gerald Station line section lists cathodic protection deficiencies at station numbers 15364+02, 16087+00, 16091+00, and 16093+00.[16] In total, seven deficiencies were identified. According to the reports, the deficiencies where identified due to instant off levels below -850mV.

Respondent submitted additional cathodic protection records and other documentation. The records included: native and depolarized (or depol) readings from 1971 and 1998; annual survey readings from 2008-2012; inline inspection dig reports; company procedures for cathodic protection criteria; and past PHMSA enforcement cases.[17] At the hearing, Respondent presented a chart to show that the locations identified as deficient in the 2008 CIS report actually met the alternative 100mV criteria based on consideration of instant off values and the depol or native values derived in 1998.[18]

C. *Analysis and Findings*

Having reviewed the evidence in the record, PHMSA finds that in 2008 Respondent performed a CIS of the cathodic protection system on its pipeline. As a result of the CIS, at least seven locations were identified on the Rolla to Gerald Station and Gerald Station to Weldon Springs pipeline sections that had interrupted survey readings of less than -850mV. Such readings indicate that cathodic protection did not meet the -850mV criteria for adequate cathodic protection.

The seven locations identified as not meeting the -850mV criteria were "identified deficiencies" under § 195.573(e). Under §§ 195.573(e) and 195.401(b), Respondent must address such conditions within a reasonable time by either taking corrective action to bring the cathodic protection levels into compliance with the -850mV criteria, or if possible, by verifying that the locations comply with a different criteria.

The evidence demonstrates that Respondent did neither until 2011. It was not until then that Respondent studied its records and concluded that in 2008 the seven locations would have met the alternative 100mV criteria. Since Respondent did not verify whether the locations met an alternative criteria for more than three years, PHMSA finds Respondent did not fulfill its obligation to correct the identified deficiencies within a reasonable amount of time.

In its written submissions and at the hearing, Respondent argued that no deficiencies actually existed because Respondent can demonstrate through an extrapolation of data performed in 2011 that the locations would have met the alternative 100mV criteria back in 2008.

PHMSA finds this argument does not support dismissal of the violation. Respondent's data analysis was not performed within a reasonable amount of time as required under the

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[16] Violation Report, Exhibit A-4.

[17] First Pre-hearing Submission, Exhibits.

[18] Respondent hearing exhibit (Apr. 15, 2014).

regulation.[19] By failing to determine if the locations met an alternative criteria until 2011, Respondent did not comply with its regulatory obligation to address the -850mV deficiencies when they were reported in 2008.

Respondent also argued that the extrapolation methodology it used in 2011 is similar to a methodology PHMSA accepted in an earlier enforcement action involving another operator.[20] PHMSA finds the methodology Respondent used in 2011 is not dispositive, because it was not performed within a reasonable amount of time as required under the code.

D. Other Arguments Raised by Respondent

In addition to contesting the alleged violation, Respondent contested several factual assertions in the Notice concerning the Company's awareness of the CIS results and whether the violation constituted a repeat offense.

With regard to the allegation in the Notice that "personnel were unaware of corrosion control deficiencies," Respondent explained that at the time of the OPS inspection, the company had just experienced a change in personnel.[21] The new employees within Respondent's Asset Integrity group were not yet familiar with the CIS performed in 2008. Respondent also stated that performance of the 2008 CIS was "voluntary," so the employees might not have understood what the OPS inspector was asking about.[22]

Reviewing the record, PHMSA finds there is a statement in evidence by the OPS inspector that Explorer personnel were "unaware that the 2008 CIS report deficiencies were not addressed."[23] This information was "attested by the following personnel . . . " and the report listed the names of several employees. These statements constitute evidence that personnel did not know what, if any, actions were taken to address the identified deficiencies; but these statements do not support the assertion that personnel were unaware of the deficiencies themselves. Since OPS did not produce sufficient evidence to support the assertion in the Notice that personnel were unaware of corrosion control deficiencies, PHMSA withdraws the assertion. Withdrawal of this statement has no impact on the finding that Respondent failed to address identified deficiencies within a reasonable amount of time as required under the code.

Finally, Respondent argued that even if PHMSA were to find a violation in this case, it would not be a repeat offense. Respondent reasoned that when Explorer was previously found in

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[19] At the hearing, OPS also questioned the validity of Respondent's data analysis and extrapolation. Regardless of the method's validity, however, it was performed long after the regulation required.

[20] Response at 3-4; Post-hearing Summary at 3, *citing* ExxonMobil Pipeline Co., CPF No. 5-2003-5006, Item 3, 2004 WL 6240956 (July 1, 2004).

[21] Notice at 3.

[22] Post-hearing Summary at 2.

[23] Violation Report at 13.

violation of § 195.573(e), it was for two station delivery lines the company believed were unregulated.[24]

In the earlier case, Explorer was found to have violated § 195.573(e) by failing to correct deficient cathodic protection on two separate pipelines with readings less than -850mV for many years. Explorer had argued that the regulation did not apply to the two pipelines because they were low-stress lines exempt from Part 195 under the exception in § 195.1(b)(4). PHMSA disagreed in the final order, which was issued in July 2011, and explained that Explorer's misinterpretation of the low-stress exemption was not a valid reason for its failure to comply. Explorer then petitioned for reconsideration of the final order, but PHMSA did not find reason to withdraw the violation or reduce the penalty.

In the present case, PHMSA again finds that Explorer violated § 195.573(e) by failing to take action to address deficient cathodic protection readings on its pipelines. This is essentially the same violation as the prior case. Both cases involved a failure to timely address indications of deficiencies. The fact that Respondent thought the pipelines in the prior case were low-stress does not distinguish these cases, because PHMSA rejected that interpretation. Accordingly, PHMSA finds the current violation is a repeat offense.

E. Conclusion

For the reasons set forth above, PHMSA finds Respondent violated § 195.573(e) by failing to correct identified corrosion control deficiencies within a reasonable time on its Rolla to Gerald Station and Gerald Station to Weldon Springs pipeline sections.

The findings of violation in this Final Order will be considered prior offenses in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122 (2011), Respondent is subject to an administrative civil penalty not to exceed $100,000 per violation for each day of the violation, up to a maximum of $1,000,000 for any related series of violations.[25] The Notice proposed a total civil penalty of $91,900 for the violations in Items 1, 2, and 3. The Notice did not proposed a civil penalty for Item 4.

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, PHMSA must consider the following criteria: the nature, circumstances and gravity of the

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[24] Response at 4 and Post-hearing Summary at 3-4, *citing* Explorer Pipeline Co., Final Order, CPF No. 3-2009-5018, Item 2, 2011 WL 4351591 (Jul. 22, 2011). *See also* Explorer Pipeline Co., Decision on Reconsideration, CPF No. 3-2009-5018, 2012 WL 1065164 (Jan. 25, 2012).

[25] Subsequent to the actions that gave rise to this case, the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, Pub. L. No. 112-90, § 2(a), 125 Stat. 1905 (Jan. 3, 2012), increased the maximum civil penalty for a pipeline safety violation to $200,000 per violation for each day up to a maximum of $2,000,000 for a related series.

violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; the good faith of Respondent in attempting to comply with the pipeline safety regulations; and the effect on Respondent's ability to continue in business. In addition, PHMSA may consider the economic benefit gained from the violation and such other matters as justice may require.

Item 1: The Notice proposed a civil penalty of $17,600 for the violation of § 195.589(c). Respondent did not contest the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, Respondent is assessed a penalty of $17,600 for the violation of § 195.589(c).

Item 2: The Notice proposed a civil penalty of $22,500 for the violation of § 195.569. Respondent did not contest the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, Respondent is assessed a penalty of $22,500 for the violation of § 195.569.

Item 3: The Notice proposed a civil penalty of $51,800 for Respondent's violation of 49 C.F.R. § 195.573(e). Respondent violated § 195.573(e) by failing to correct indications of corrosion control deficiencies for more than three years following a CIS on its pipeline. The CIS identified seven deficiencies where cathodic protection did not comply with the -850mV criteria. Respondent did not address the identified deficiencies until 2011.

The proposed penalty amount was based on assertions in the Notice and Violation Report relevant to the penalty assessment criteria in § 190.225. With regard to the nature, circumstances and gravity of the violation, the Violation Report suggested that the violation potentially compromised pipeline integrity because failing to promptly address indications of inadequate cathodic protection may increase the likelihood of pipeline failure due to corrosion.

With regard to the degree of Respondent's culpability and good faith, the Violation Report suggested no reduction to the penalty under these factors because Respondent failed to take any action to address the identified deficiencies for more than three years.

With regard to the history of Respondent's prior offenses, the Violation Report noted a total of two prior offenses in the five-year period prior to issuance of the Notice. This violation was also a repeat offense.

Based on a review of the evidence in the record, PHMSA finds the above information supports the amount of the penalty proposed.

Accordingly, having reviewed the record and considered the assessment criteria, PHMSA assesses a civil penalty of $51,800 for Respondent's violation of § 195.573(e).

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, Respondent is assessed a total civil penalty of **$91,900**.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, P.O. Box 269039, Oklahoma City, Oklahoma 73125-4915. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the $91,900 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to the violations cited above in Item 2, 3, and 4. The Notice did not propose a compliance order for Item 1.

Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids by pipeline or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under 49 U.S.C. chapter 601. PHMSA may issue an order directing compliance with these standards pursuant to 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217.

The Director indicated that Respondent has completed the actions proposed in the Notice to comply with § 195.569 (Item 2) and § 195.264(a) (Item 4). Accordingly, it is not necessary to include compliance terms for those items.

As for the remaining compliance terms, 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:

1. With respect to the violation of § 195.573(e) (**Item 3**), Explorer must demonstrate that cathodic protection is currently adequate at each of the locations identified as "Off CP Levels Dip Below 850" in the CIS reports dated June 26, 2008 (24-inch Gerald to Weldon Springs), and July 21, 2008 (24-inch Rolla to Gerald Station). Cathodic protection must meet the applicable requirements of 49 C.F.R. Part 195.

2. Explorer must submit documentation to demonstrate satisfaction of this Compliance Order within 90 days of the issuance of this Order. Submissions under this Order must be to the Director, Central Region, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, 901 Locust Street, Suite 462, Kansas City, MO 64106.

3. It is requested that Explorer maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. It is requested that these costs 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 demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed $200,000 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.

Under 49 C.F.R. § 190.243, Respondent may submit a petition for reconsideration of this Final Order to the Associate Administrator for Pipeline Safety, PHMSA, 1200 New Jersey Avenue SE, East Building, 2nd Floor, Washington, D.C. 20590, no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed, however, the other terms of the order, including the corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

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

for Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

JUL 0 9 2015
Date Issued