

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 20, 2013

Mr. Michael Pearson
Magellan Ammonia Pipeline, L.P.
Vice President – Technical Services
One Williams Center, MD27
Box 22186
Tulsa, OK 74172

CPF 3-2013-5017W

Dear Mr. Pearson:

On August 6-10, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your NH3 IMP records in Tulsa, OK.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. §195.589 What corrosion control information do I have to maintain?

(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 Secs. 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.

Magellan did not document the inspection of the inside of the pipe when they replaced pipe as a result of their IMP assessments.

Review of the repair records from the hydrostatic test of the NH3 line found that Magellan's personnel either left the section documenting the internal condition of the pipe empty, or they wrote N/A in the section. Each repair noted involved a cutout which would require the internal inspection. The line section and the number of reports that were missing the documentation are as follows:

<u>Line section</u>	<u># of Reports</u>
Linn to Beatrice	3
Beatrice to Greenwood	3
Greenwood to Valley	7

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 Magellan Ammonia 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 3-2013-5017W**. 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