



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

901 Locust Street, Suite 462
Kansas City, MO 64106-2641

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 29, 2017

Mr. Frederick Beck, Senior Vice President DPUSA
Statoil Oil & Gas LP
6300 Bridge Point Parkway, Bldg. 2, Suite 100
Austin, TX 78730

CPF 3-2017-6011M

Dear Mr. Beck:

On March 22-24 and May 3-5, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Statoil Oil & Gas LP's (Statoil) North Dakota unit procedures for damage prevention, operator qualifications, integrity management and emergencies in Williston, North Dakota.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Statoil's plans or procedures, as described below:

1. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.

§195.403 Emergency Response Training.

(a) Each operator shall establish and conduct a continuing training program to instruct emergency response personnel to:

(1) Carry out the emergency procedures established under §195.402 that relate to their assignments;

(2) Know the characteristics and hazards of the hazardous liquids or carbon dioxide transported, including, in case of flammable HVL, flammability of the mixtures with air, odorless vapors, and water reactions;

(3) Recognize conditions that are likely to cause emergencies, predict the consequences of facility malfunctions or failures and hazardous liquids or carbon dioxide spills, and take appropriate corrective action;

(4) Take steps necessary to control any accidental release of hazardous liquid or carbon dioxide and to minimize the potential for fire, explosion, toxicity, or environmental damage; and

(5) Learn the potential causes, types, sizes, and consequences of fire and the appropriate use of portable fire extinguishers and other on-site fire control equipment, involving, where feasible, a simulated pipeline emergency condition.

Statoil's procedures fail to address establishing or conducting a continuing Emergency Response Personnel (ERP) Training Program. No ERP training has been established and conducted.

2. §195.402 Procedural manual for operations, maintenance, and emergencies.

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

Statoil's Operations and Maintenance procedure manual does not currently have a procedure to periodically review the work performed by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective actions where deficiencies are found. Procedures are currently being developed.

3. §195.402 Procedural manual for operations, maintenance, and emergencies.

(e) Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;

(1) Receiving, identifying, and classifying notices of events which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action.

Statoil's Operations, Maintenance and Emergency procedure manual does not address classifying notice of events which need immediate response by the operator. Response procedures to specific threats are in the operator's Facility Response Plan (FRP) but classification as to immediate response or delayed response is not in either their Emergency Response Plan (ERP) or their FRP.

4. §195.442 Damage Prevention Program

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:

(1) Include the identity, on a current basis of persons who normally engage in excavation activities in the area in which the pipeline is located.

(3) Provides a means of receiving and recording notifications of planned excavation activities.

Statoil's Damage Prevention Program procedures do not specify how reports of Third Party Activity and names of associated contractors or excavators are input back into the mail-outs and communications with excavators along the system or how Third Party Damage is checked against One-Call tickets.

5. §195.505 Qualification program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

(f) Communicate changes that affect covered tasks to individuals performing those covered tasks

Statoil's Operator Qualification Program procedures do not address how contractors will be trained and evaluated to insure they are qualified in operator's specific O&M procedures for each covered task.

6. §195.509 General.

(a) Operators must have a written qualification program by April 27, 2001. The program must be available for review by the Administrator or by a state agency participating under 49 U.S.C. Chapter 601 if the program is under the authority of that state agency.

§195.503 Qualified means that an individual has been evaluated and can:

(b) Recognize and react to abnormal operating conditions.

Statoil failed to have an adequate written Operator Qualification (OQ) Program. Statoil does not currently have a list of task-specific Abnormal Operating Conditions in its OQ Program associated with each covered task to which the individual can be qualified to per the definition of *Qualified* in §195.503.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Statoil Oil & Gas LP maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Allan C. Beshore, Director, Central Region, OPS, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2017-6011M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Allan C. Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

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