



U.S. Department  
of Transportation

**Research and  
Special Programs  
Administration**

400 Seventh St. S.W.  
Washington, D.C. 20590

MAR 29 1989

Mr. Charles R. Hoffman  
President  
Texaco Pipeline Inc.  
1670 Broadway  
Denver, Colorado 80202-4826

Re: CPF No. 4527-H

Dear Mr. Hoffman:

Enclosed is the Consent Order that has been issued in this case by the Director, Office of Pipeline Safety. Your receipt of the enclosed constitutes service under 49 C.F.R. 190.5. At your request, a copy has already been served upon Texaco by telecopy.

Sincerely,

Gwendolyn M. Hill  
Pipeline Compliance Registry  
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION  
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION  
WASHINGTON, D.C.

In the Matter of )

Texaco Pipeline Inc., )

Respondent. )

CPF No. 4527-H

CONSENT ORDER

On January 24, 1989, a seam failure occurred at Mile Post 22 in Winkler County, Texas, on Respondent's crude oil pipeline which operates between Jal, New Mexico and Cushing, Oklahoma (hereinafter Jal-Cushing Line or Line). Approximately 23,534 barrels of crude oil were spilled as the result of the failure. Following initial contacts by the Office of Pipeline Safety (OPS), Respondent voluntarily reduced the operating pressure of the Jal-Cushing Line pending completion of the metallurgical study of the failed pipe and an examination of the Line's operating history.

By notice of February 24, 1989, the Chief, Southwest Region, OPS, initiated this action to issue a hazardous facility order pursuant to section 209(b) of the Hazardous Liquid Pipeline Safety Act of 1979, 49 U.S.C. app. § 2008(b). In its response, Respondent summarized the operating history of the Line and the results of the metallurgical analysis and other tests done following the January 24, 1989 failure and provided other relevant data. Respondent objects to an administrative determination that the Jal-Cushing Line is hazardous, but has agreed to hydrostatically test the Line and to continue to operate the Line at a reduced pressure until that testing is completed. By the attached agreement, Respondent and OPS have agreed to the issuance of this consent order. Accordingly, I incorporate herein the attached agreement and issue this order.

Failure to comply with the terms of this order may result in the assessment of civil penalties of up to \$10,000 per day or in referral of the matter to the Attorney General for appropriate action in the United States District Court. The terms and conditions of this order are effective upon receipt.

*for*   
Richard L. Beam  
Director  
Office of Pipeline Safety

DATE ISSUED:

3/29/89

AGREEMENT

WHEREAS, pursuant to section 209(b) of the Hazardous Liquid Pipeline Safety Act of 1979, 49 U.S.C. app. § 2008(b) (HLPSA), the Office of Pipeline Safety (OPS), Research and Special Programs Administration (RSPA), has issued a Notice of Proposed Hazardous Facility Order (Notice) in this case; and

WHEREAS, the Notice applies to the crude oil pipeline operated by Texaco Pipeline Inc. (Texaco) from Jal, New Mexico to Cushing, Oklahoma (Jal-Cushing Line or Line);

WHEREAS, the Jal-Cushing Line was constructed using electric resistance welded (ERW) pipe prior to the promulgation of the hazardous liquid pipeline safety regulations and has never been subjected to the hydrostatic testing required of newly constructed pipelines;

WHEREAS, the Notice proposed to require that the Line be hydrostatically tested and that a pressure reduction of 20 per cent be maintained on the Line until completion of that testing;

WHEREAS, in responding to the Notice, Texaco presented data showing that a lesser reduction in maximum discharge pressure at its pump stations on the Line would result in a maximum allowable operating pressure not exceeding 50 per cent of the specified minimum yield strength on any section of the Line traversing a sensitive area, such area being defined as one containing residential or commercial structures, interstate highways, or river or reservoir crossings;

WHEREAS, pursuant to the HLPESA and the regulations in 49 C.F.R. Part 190, Texaco and the RSPA have agreed to settle this matter according to the terms hereof,

Texaco and the RSPA agree as follows:

1. Texaco, as owner and operator of the hazardous liquid pipeline facilities to which the Notice applies, is subject to the jurisdiction of the HLPESA and administrative orders issued pursuant thereto.

2. Texaco consents to the issuance of an administrative order incorporating the terms of this Agreement (consent order) and waives any further procedural requirements, other than notice itself, with respect to its issuance and all rights to seek judicial review or otherwise contest its validity.

3. The RSPA agrees not to make a determination of hazardous facility or to issue a hazardous facility order against Texaco based on the Notice in this case. However, nothing in this agreement bars the RSPA from taking action based upon new evidence to address any hazardous situation which may arise with respect to the Jal-Cushing Line.

4. Any actions required by the terms of this Agreement shall be in addition to duties imposed by the HLPSA, and the regulations promulgated thereunder and compliance with the terms of this Agreement shall not excuse any failure to comply with the HLPSA and the regulations promulgated thereunder.

5. The terms of this Agreement may be construed by reference to the Notice and to Texaco's response to the Notice.

6. Texaco agrees to limit the maximum discharge pressure at each pump station on the Jal-Cushing Line to a maximum operating pressure as stated below:

<u>Pump station</u>	<u>Maximum Discharge Pressure</u>
Jal	528 p.s.i.g.
Wink	878
Odessa	720
Midland	789
Big Spring	904
Colorado City	994
Hamlin	932
Haskell	1054
Seymour	950
Wichita Falls	892
Comanche	966
Lindsay	966
Norman	910

7. Texaco agrees to maintain the pressure limits described in paragraph 6 until such time as the pertinent segment of the Jal-Cushing Line has been hydrostatically tested as provided for in paragraph 9, and the results of such tests have been accepted by the Chief, Southwest Region, OPS.

8. The Chief, Southwest Region, shall accept the results if satisfied that (1) the hydrostatic testing has been conducted in accordance with good industry practice for testing new lines in accordance with 49 C.F.R. Part 195, (2) any testing required by paragraph 10 has been done, and (3) based on the results from the testing required by paragraph 10, corrective measures, if needed, have been made. In case of nonacceptance by the Chief, Texaco may appeal to the Director, OPS.

9. In order to support a request to raise the pressure limits on a segment of the Jal-Cushing Line (a segment being that portion of the Line from the restricted pump station downstream to the next pump station) above the limits provided for in paragraph 6, Texaco agrees to hydrostatically test such portion of the segment as is constructed of ERW pipe manufactured prior to 1970, and for which there is no record of hydrostatic testing in accordance with the requirements of 49 C.F.R. Part 195 for new lines. Texaco agrees to prepare procedures for the handling and preservation of any sections that fail during testing prior to the beginning of testing and to train the personnel involved in the testing in those procedures.

10. Texaco agrees to metallurgically examine any seam failure that occurs during the hydrostatic testing provided for in paragraph 9 in a manner that will identify the cause of such failure and its contributing factors, if any.

TEXACO PIPELINE INC.

*CH* *Ch. H. H. H.*  
President

*3/28/89*  
Date

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

*for* *JCT Thomas*  
Director, Office of Pipeline Safety

*3/29/89*  
Date

P-550 227 740

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	
Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

U. S. G. P. O. 153-506

PS Form 3800, June 1985

When buying your ticket, be sure to get the correct return address label. It will be on the back of the ticket. If you are buying a ticket for a group, be sure to get the correct return address label for each ticket.

1. If you want this receipt postmarked, fill in the postmark date in the right-hand corner of the receipt and present the article in a well-sealed envelope or send it to your news dealer. (no extra charge)
2. If you do not want this receipt postmarked, stick the postmark date in the right-hand corner of the receipt and tear the article.
3. If you want a return receipt, write the article's full number and your name and address on a return receipt card, Form 383, and attach it to the front of the article by means of the gummed ends in the corners. (no extra charge) After the article is returned to the office, the receipt will be placed in the article's return envelope.
4. If you want delivery restricted to the addressee, put in an authorized agent of the addressee, enclosed in a separate envelope, on the front of the article.
5. Enter fees for the services requested in the appropriate space on the front of this receipt. If return receipt is requested, check the applicable blocks in Figure 1 of Form 383.
6. Save this receipt and present it if you make inquiry.

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

**SENDER INSTRUCTIONS**

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE  
USE, \$300

RETURN  
TO 

Office of the Chief Counsel, DCC-1  
400 Seventh Street, S.W.-Room 8405  
Washington, DC 20590



(60)

Complete forms 1 and 2 when additional services are desired, and complete forms 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

- 1.  Show to whom delivered, date, and addressee's address.
- 2.  Restricted Delivery.

3. Article Addressed to:

Mr. Charles R. Hoffman  
 President  
 Texaco Pipeline, Inc.  
 1670 Broadway  
 Denver, CO 80202-4826

4. Article Number  
 P550229740

Type of Service:

Registered       Insured  
 Certified       COD  
 Express Mail

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee  
 X

6. Signature - Agent  
 X *[Handwritten Signature]*

7. Date of Delivery  
 4 4 89

8. Addressee's Address (ONLY if requested and fee paid)

MAR 2<sup>9</sup> 1989

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Enclosure

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cc: DCC-1/files/*all regions*  
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CONCURRENCES	
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*for* 15/Thomas  
Richard L. Beam  
Director  
Office of Pipeline Safety

MAR 29 1980

DATE ISSUED: \_\_\_\_\_

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TEXACO PIPELINE INC.

*BMM*  
*C. R. Anderson*  
President

*3/28/89*  
Date

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

*for*  
*J. C. Thomas*  
Director, Office of Pipeline Safety

*3/29/89*  
Date