



U.S. Department
of Transportation

8701 S. Gessner, Suite 1110
Houston, TX 77074

Pipeline and
Hazardous Materials
Safety Administration

**NOTICE OF PROBABLE VIOLATION
AND
PROPOSED CIVIL PENALTY**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 11, 2005

Ms. Margaret Yaege
President
ConocoPhillips Pipe Line Company
600 North Dairy Ashford
Houston, TX 77079

CPF No. 4-2005-5037

Dear Ms. Yaege:

On June 7-10 and 20-24, 2005, representatives of the Pipeline and Hazardous Materials Safety Administration's Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an inspection of ConocoPhillips Pipe Line Company (CPPL) Integrity Management Program (IMP) in Ponca City, OK.

As a result of this inspection, it appears that you have committed probable violations, as noted below, of the pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The probable violations are:

1. §195.452 Pipeline integrity management in high consequence areas.

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(4) Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis (see paragraph (h) of this section)

(h) What actions must an operator take to address integrity issues?

(1) General requirements. An operator must take prompt action to address all anomalous conditions that the operator discovers through the integrity assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity. An operator must be able to demonstrate that the remediation of the condition will ensure that the condition is unlikely to pose a threat to the long-term integrity of the pipeline. A reduction in operating pressure cannot exceed 365 days without an operator taking further remedial action to ensure the safety of the pipeline. An operator must comply with §195.422 when making a repair.

The OPS inspection of ILI results and associated repair records identified some issues with respect to the completion of repairs of anomalies. The IM rule requires an operator to take prompt action to address all anomalous conditions that the operator discovers through the integrity assessment or information analysis. On 7/23/2003, the Villa Ridge to E. St. Louis pipeline section was assessed using a geometry tool; and the deformation tool measured depth, but it could not give orientation. Twenty-four anomalies ranging from 6.31% to 25.9% deformation were reported in the ILI Vendor's Final Report, dated 08/12/2003. Discovery was on 12/30/03, which is the date on which CPPL issued the transmittal letter reporting the assessment findings and defining required repairs. As of 12/30/03, twelve anomalies remained un-evaluated and not remediated. Since the orientation was unknown and all anomalies were reported above 6% deformation, the anomalies should have been treated as immediate repairs and a pressure reduction taken until all of the anomalies could be evaluated. No evidence that a pressure reduction was taken in the remediation of these defects was provided to OPS at the time of the inspection.

2. §195.452 Pipeline integrity management in high consequence areas.

(f) (4) (see above)

(h) What actions must an operator take to address integrity issues?

(2) Discovery of condition. Discovery of a condition occurs when an operator has adequate information about the condition to determine that the condition presents a potential threat to the integrity of the pipeline. An operator must promptly, but no later than 180 days after an integrity assessment, obtain sufficient information about a condition to make that determination, unless the operator can demonstrate that the 180-day period is impracticable.

The OPS inspection of ILI results and associated repair records identified some issues with respect to the timeliness of "discovery" of anomalies. The IM rule requires an operator to categorize an anomaly within 180 days after completing an assessment. On a significant percentage of their assessments, CPPL is taking the full 180 days to categorize anomalies as 60

and 180 day conditions and declare discovery, even when the vendor's final report has been received well in advance of that discovery date; and adequate information was available to CPPL to declare discovery in the form of the ILI Vendor's final report. Specific examples of assessments where discovery was declared well after receipt of the ILI Vendor's Final Report and near or exceeding the end of the maximum 180 day discovery period are detailed in the table below. The transmittal letter date indicates when the ILI Integrity Worklist Spreadsheet was sent to the field to initiate repairs or evaluations and when discovery of conditions was declared by CPPL.

Pipeline Segment	ILI Tool Run Date	Final Report Date	180 Day Discovery Deadline	Transmittal Letter Date and Discovery Declared
Hardtner to MP271	12/14/03	01/05/04	6/11/04	7/9/04
Leeton to Harrisonville	07/28/04	09/21/04	1/24/05	1/24/05
Rosebud to Jefferson City	07/28/04	9/27/04	1/24/05	1/24/05
Harrisonville to Paola	07/28/04	10/5/04	1/25/05	1/24/05
Villa Ridge to Rosebud	07/28/04	9/7/04	1/24/05	1/24/05
Jefferson City to Syracuse	07/17/04	9/15/04	1/13/05	1/11/05
Kankakee to East Chicago	12/05/03	1/5/04	6/2/04	5/28/04
Chocolate Bayou to Webster	09/01/04	11/1/04	3/1/05	3/1/05
Austin to LaGrange	09/02/04	12/13/04	3/1/05	2/28/05
Brookshire to Sweeney	09/03/04	11/16/04	3/2/05	3/1/05
Fredericksburg to Austin	09/02/04	11/29/04	3/1/05	2/28/05
MP50 to Laverne	10/15/04	1/3/05	4/13/05	4/13/05
Villa Ridge to E. St. Louis	06/23/04	7/30/04	12/20/04	12/16/04
Coalinga to Rodeo	08/29/04	12/23/04	2/25/05	4/14/05
Archer #1 to Wichita Falls Terminal	11/21/03	3/1/04	6/6/04	6/6/04
Sneed to Borger	10/26/04	1/3/05	4/24/05	5/2/05
Borger to Skellytown	10/28/04	1/3/05	4/26/05	5/16/05
Rock Creek to Borger	10/23/03	12/3/03	4/20/04	4/19/04
Paola to Kansas City	12/20/03	1/27/04	6/18/04	7/21/04
Douglas to Wheatland	10/21/04	1/3/05	4/19/05	4/26/05
Sweeney to Pasadena	12/08/03	1/5/04	6/5/04	6/11/04
Odessa to Gaines	11/18/03	12/15/03	5/16/04	5/13/04
Canyon to MP250	10/29/03	1/15/04	4/26/04	4/27/04

Under 49 United States Code §60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and it is recommended that you be preliminarily assessed a civil penalty of \$200,000 (\$50,000 for Item 1 and \$150,000 for Item 2).

Enclosed with this Notice of Probable Violation is a description of the courses of action available to you in responding to this Notice. Please note that regardless of the course of action you elect to follow, you must respond within 30 days of your receipt of this Notice. Your failure to respond within 30 days will result in referral to the Associate Administrator, Office of Pipeline Safety, to find the facts to be as alleged herein and order a civil penalty.

Please refer to **CPF No. 4-2005-5037** for any correspondence on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "R. M. Seeley". The signature is written in a cursive, flowing style.

R. M. Seeley
Director, Southwest Region

Enclosure