

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

September 10, 2008

Ms. Rebecca Roberts  
President  
Chevron Pipeline Company  
4800 Fournace Place  
Bellaire, TX 77401

**CPF 4-2008-5020**

Dear Ms. Roberts:

On April 14-16, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected a segment of your Chevron West Texas LPG System #1, 6- inch pipeline involved in two separate accidents that occurred on March 31, 2008 in Snyder, TX and April 7, 2008 near Hobbs, NM.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

**1. 195.442 Damage Prevention Program.**

**(a) Except as provided in paragraph (d) of this section, each operator of a buried pipeline shall carry out, in accordance with this section, a written program to prevent damage to that pipeline from excavation activities. For the purpose of this section, the term "excavation activities" includes excavation, blasting, boring, tunneling, backfilling, the removal of aboveground structures by either explosive or mechanical means, and other earth moving operations.**

**(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.**

**(2) Provides for notification of the public in the vicinity of the pipeline and actual notification of the persons identified in paragraph (c)(1) of this section of the following as often as needed to make them aware of the damage prevention program:**

**(i) The program's existence and purpose; and**

**(ii) How to learn the location of underground pipelines before excavation activities are begun.**

**(3) Provide a means of receiving and recording notification of planned excavation activities.**

**(4) If the operator has buried pipelines in the area of excavation activity, provide for actual notification of persons who give notice of their intent to excavate of the type of temporary marking to be provided and how to identify the markings.**

**(5) Provide for temporary marking of buried pipelines in the area of excavation activity before, as far as practical, the activity begins.**

**(6) Provide as follows for inspection of pipelines that an operator has reason to believe could be damaged by excavation activities:**

**(i) The inspection must be done as frequently as necessary during and after the activities to verify the integrity of the pipeline; and**

**(ii) In the case of blasting, any inspection must include leakage surveys.**

An accident (NRC# 866563) occurred on March 31, 2008, where a contractor, E. D. Walton Construction, damaged the Chevron West Texas LPG System #1 6-inch pipeline while excavating to construct a pipeline for Kinder Morgan.

Chevron's personnel failed to follow procedures, as stated in Chevron's Core Liquid Pipeline Operating and Maintenance Procedural Manual (O&M Manual), by not monitoring excavation activities to ensure Chevron's pipeline was not damaged during the excavation. The Senior Facility Inspector for Chevron stated that he was inside his vehicle filling out forms when the excavator struck Chevron's pipeline.

Chevron's O&M Manual Section 5: Damage Prevention, procedure 5.7 states "A Company representative shall be present when excavation activities occur within close proximity of a Company pipeline. A Company representative must be present during and after the excavation activities to verify pipeline integrity, adequate support of line while exposed, proper backfill, and to perform the visual inspection of any exposed pipelines. Refer to MIP-206 for Foreign Line Crossing."

An accident (NRC# 867291) occurred on April 7, 2008, near Hobbs, NM, when Craig Electric damaged the Chevron West Texas LPG System #1 6-inch pipeline while trenching for a land owner.

Chevron's personnel failed to follow procedures, as stated in Chevron's Core Liquid Pipeline Operating and Maintenance Procedural Manual (O&M Manual), by not locating and marking the pipeline after a one call ticket was made. The locator for Chevron stated that he cleared the one call ticket after determining Chevron's pipeline was not in the area of the trenching and did not require locating markers. However, the one-call ticket accurately located the trenching in the proximity of CPL's pipeline. CPL therefore, was required to have located and marked their pipeline in response to the one call ticket.

Chevron's O&M Manual Section 5: Damage Prevention procedure 5.4 states "Company pipelines located in close proximity must be individually marked and identified.

- a) Locate and field mark the approximate location of Company pipelines through the use of standard locating techniques. Approximate location means within 24" on either side of the exterior surface of the pipeline. If an excavator needs exact depth and location of a Company pipeline, the excavator must expose the line and confirm the location. Excavation within 24" of Company pipelines must be performed by hand digging or other means such as vacuum excavation.
- b) If there is information indicating an abandoned Company pipeline within an excavation site, an attempt shall be made to locate and mark the abandoned facility.
- c) If practical, locate and mark pipelines when a requester's representative is present. A pre-excavation meeting may be necessary for large or unusual excavations.
- d) Use temporary flags or other more permanent markers if the type and duration of activity so dictates.
- e) Mark bend areas and other changes of direction so that the pipe's location is clearly delineated. Set markers on straight pipeline sections at intervals required by conditions of the site and job, but not to exceed 100 feet (closer in areas of heavy congestion or when there are multiple bends along a pipeline route). Facility marking should extend a reasonable distance beyond the bounds of the requested (whitelined) area.
- f) If practical, remove markers when the work has been completed."

Proposed Civil Penalty

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(s) and has recommended that you be preliminarily assessed a civil penalty of \$[total amount] as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$100,000

Response to this Notice

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). 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 a Final Order.

In your correspondence on this matter, please refer to CPF 4-2008-5020 and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley  
Director, Southwest Region  
Pipeline and Hazardous  
Materials Safety Administration

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