



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 19, 2008

Mr. David Wunch
Executive Vice President
SemStream, L.P.
6120 S. Yale
Suite #700
Tulsa, OK 74136

CPF 4-2008-5026M

Dear Mr. Wunch:

On October 20-21, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your procedures and records for operations and maintenance in Little Rock, Arkansas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Semstream Rixie Pipeline Company's (Rixie) procedures and are described below.

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - a) **General. 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. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**
- A. **§195.54 Accident reports.**
 - (a) **Each operator that experiences an accident that is required to be reported under §195.50 shall as soon as practicable but not later than 30 days after discovery of the accident, prepare and file an accident report on DOT Form 7000-1, or a facsimile.**

Rixie must amend their procedure to ensure the correct address for submission of DOT Form 7000-1 when filing accident reports by mail.

B. §195.214 Welding procedures.

- (a) **Welding must be performed by a qualified welder in accordance with welding procedures qualified under Section 5 of API 1104 or Section IX of the ASME Boiler and Pressure Vessel Code (ibr, see § 195.3) . The quality of the test welds used to qualify the welding procedure shall be determined by destructive testing.**

Rixie must amend their procedures to ensure that the latest edition of API 1104 that is utilized for welding on their pipeline facilities is the latest referenced edition in Part 195.

C. §195.222 Welders: Qualification of welders.

- (a) **Each welder must be qualified in accordance with section 6 of API 1104 (ibr, see § 195.3 or section IX of the ASME Boiler and Pressure Vessel Code, (ibr, see § 195.3) except that a welder qualified under an earlier edition than listed in § 195.3 may weld but may not re-qualify under that earlier edition.**

Rixie must amend their procedures to ensure that the latest edition of API 1104 that is utilized for welding on their pipeline facilities is the latest referenced edition in Part 195.

D. §195.234 Welds: Nondestructive testing.

- b) **Any nondestructive testing of welds must be performed-**

- (1) **In accordance with a written set of procedures for nondestructive testing; and**
(2) **With personnel that have been trained in the established procedures and in the use of the equipment employed in the testing.**

Rixie must amend their procedures to address the ASNT level that Rixie has established to be qualified as nondestructive testing personnel.

E. §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;**

- (2) **Prompt and effective response to a notice of each type emergency, including fire or explosion occurring near or directly involving a pipeline facility, accidental release of hazardous liquid or carbon dioxide from a pipeline facility, operational failure causing a hazardous condition, and natural disaster affecting pipeline facilities.**

Rixie must amend their procedures to address prompt and effective response of emergencies that involve accidental release of hazardous liquid and operational failures causing a hazardous condition.

F. §195.422 Pipeline Repairs.

- (b) **No operator may use any pipe, valve, or fitting, for replacement in repairing pipeline facilities, unless it is designed and constructed as required by this part.**

Rixie must amend their procedures to address the industry wrap-type repair component(s) that Rixie has accepted as an adequate pipeline repair method.

In email correspondence dated November 4-5, and December 15-16, 2008, SemStream submitted updated procedures that intended to address the afore-mentioned deficiencies. My staff reviewed the amended procedures, and it appears that the inadequacies outlined in this Notice of Amendment have been corrected.

This letter is to inform you no further action is necessary and this case is now closed. Thank you for your cooperation.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, 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. § 190.237). 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.

In correspondence concerning this matter, please refer to **CPF No 4-2008-5026M** 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
Material Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance*