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March 10, 2010

Mr. Roderick M. Seeley
Director, Southwest Region
Pipeline and Hazardous Material Safety Administration
8701 South Gessner
Suite 1110
Houston, Texas 77074

Via UPS Delivery
Tracking #1Z78E33X0196680258

RE: Explorer Pipeline Warning Letter CPF-4-2010-5001W

Dear Mr. Seeley:

Explorer Pipeline has received the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Warning Letter CPF 4-2010-5001W dated January 12, 2010 relating to the 2009 integrated inspection (II) of Explorer Pipeline's system assets in Louisiana, Texas, Oklahoma, Missouri, Illinois and Indiana. We are providing the following responses to the warnings:

PHMSA Warning 1:

§195.571 What criteria must I use to determine the adequacy of cathodic protection? Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE Standard 0169 (incorporated by reference see §195.3).

Explorer did not meet the applicable cathodic protection (CP) criteria, as specified by NACE Standard RP1069-2002, for annual pipe-to-soil and tank bottom-to-soil annual survey (AS) at some test locations for consecutive years, as follows:

- Tank 4001 (Houston area) Low for 2 consecutive AS - .838 (2/28/08) and .821 (1/24/09).
- 10" Hearne to Lake Creek (Houston area) - MP150.52 - Low for 2 consecutive AS -.691 (6/19/08) to .71 (4/07/09).
- Tank 390 (Glenpool area) - Low for 2 consecutive AS - .564 (7/09/07) and .691 (9/4/08)
- Tank 250 (Greenville area) - Low for 3 consecutive AS - .805 (6/4/07), .82 (7/29/08) and .71 (4/9/09).
- Tank 120 (Port Arthur area) - Low for 2 consecutive AS - .67 (11/14/07) and .608 (11/4/08).

Explorer Pipeline Response to Warning 1:

Explorer Pipeline corrected the 5 identified items noted in PHMSA's Warning 1. Below are the actions that were taken:

- Test station by tank 4001 was repaired on 11/16/2009 and had a reading of 0.919 mV. Explorer Pipeline does not own or operator the tank and tank 4001 is only a reference location on the survey.
- 10 Inch pipeline - Hearne to Lake Creek - MP 150.52 satisfied the 100 mV polarization criteria. The off reading indicated 0.650 mV and the depolarized reading was 0.356 mV.
- Tank 390 at Glenpool had a new anode and reference cell installed on 9/14/2009. The tank's center point reading (# 9) indicated 1.100 mV. The 2007 to 2009 annual CP surveys for the tank indicated all the perimeter readings for the tank were within NACE criteria.
- Tank 250 at Greenville had a new reference cell installed on 3/3/2010. The tank's center point reading (# 9) indicated 1.380 mV. The 2007 to 2009 annual CP surveys for the tank indicated all the perimeter readings for the tank were within NACE criteria.
- Tank 120 at Pt. Arthur had a new reference cell installed on 8/30/2009. The tank's center point reading (# 9) indicated 1.070 mV. The 2007 to 2009 annual CP surveys for the tank indicated all the perimeter readings for the tank were within NACE criteria.

PHMSA Warning 2:

§195.573 What must I do to monitor external corrosion control?

(C) Rectifiers and other devices. You must electrically check for proper performance each device in the first column and the frequency stated in the second column.

Device	Check Frequency
Rectifier Reverse current switch Diode Interference bond whose failure would jeopardize structural protection	At least six times each calendar year, but with intervals not exceeding 2 ½ months.
Other interference bond	At least once each calendar year, but with intervals not exceeding 15 months.

Explorer utilizes the Pipeline Watchdog® remote web monitoring system (access data via the internet) to electrically check for proper performance of each rectifier. The Watchdog® remote web monitoring system allows real-time viewing of rectifier performance and provides for alarms to be set for abnormal operation; and once a month, the Proactive® corrosion program protection database extracts data from the Watchdog® program and produces a report to show compliance with 195.573(c). Based on a review of records, Explorer did not capture the information from Watchdog® into the Proactive® corrosion protection database to demonstrate compliance for inspections within required frequencies by exceeding 2½ months maximum allowed in Explorer's procedures and federal regulations, as follows:

- Rectifier CPL 1095: 3/11/08 to 6/17/08
- Rectifier CPL 1350: 3/11/08 to 6/17/08; 6/17/08 to 10/09/08
- Rectifier CPL 1352: 7/15/08 to 10/10/08
- Rectifier CPL 1578: 03/13/08 to 6/23/08

- Rectifier CPL ES-236: 8/15/08 to 11/13/08
- Rectifier CPL ES-241: 1/13/08 to 5/20/08
- Rectifier CPL 1587: 4/18/08 to 7/09/08; 07/09/08 to 9/29/08
- Rectifier CPL 1089: 4/30/08 to 9/21/08
- Rectifier CPL 1105 (Allendale): 02/28/08 to 10/16/08
- Rectifier CPL 0.06 (Allendale): 04/22/08 to 10/16/08
- Rectifier CPL 0.74 (Allendale to N. Allendale) 02/28/08 to 10/16/08
- Rectifier CPL 0.06 (Allendale to W. Pasadena) 04/22/08 to 10/16/08
- Rectifier CPL 1647 (N. Houston): 12/11/07 to 05/15/08; 08/28/08 to 11/15/08
- Rectifier CPL 11 MP 27.67, N. Houston to Plantersville: 12/11/07 to 04/04/08
- Rectifier CPL 1539 MP 74.48 Plantersville to Bryan: 02/16/07 to 11/15/08

Explorer Pipeline Response to Warning 2:

The 15 rectifiers listed in the Warning Letter are rectifiers associated with a recent acquisition. At the time of the acquisition information associated with the rectifiers was inaccurate and extremely limited. Explorer Pipeline conducted an extensive field review, incorporated all the rectifier locations into maps and records and associated information into the Proactive® corrosion protection database to confirm inspections are properly completed and any abnormal operations are identified for corrective action.

If you have any questions, please contact me directly or Kevin Brown at (918) 493-5104.



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