

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 21, 2011

Mr. Eric Amundsen
Vice President of Technical Services
Sea Robin Pipeline Company
5444 Westheimer Road
Houston, TX 77056-5306

CPF 4-2011-2001

Dear Mr. Amundsen:

During September and December 2010, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your offshore natural gas transmission pipeline system, Unit ID 1874 – Sea Robin Transmission in Erath, LA.

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. **§192.605 Procedural manual for operations, maintenance, and emergencies**
 - (a) **General.** Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Sea Robin personnel failed to follow the established procedures when performing covered task PLOQ713A 'Commission and Maintain Stationary Gas Detection Systems'. During the inspection, PHMSA asked Sea Robin to perform this covered task as part of the inspection process.

Sea Robin uses Panhandle Energy's Standard Operating Procedures (SOP) and specifically in this instance Sea Robin utilized SOP H.18 'Stationary Gas and Fire Detection Systems'. Section 7.4 'Testing and Inspection of Gas Sensors', step 3 states:

"CALIBRATE every sensor and **TEST** each controller using a 50% Lower Explosive Limit (LEL) methane calibration gas source. **VERIFY** the following action:

- Low alarm trip point - not more than 25% LEL
- High alarm trip point - not more than 50% LEL
- 0% (zero) with the LEL meter in free air

At the Erath Compressor Station they use an additional site specific procedure, 'Calibrate Gas Detectors'. In the procedure, steps 7.2 through 7.9 detail the process used to calibrate a gas detection sensor. These steps are repeated to calibrate each gas detection sensor. Step 7.12 is for testing each gas detection sensor. Step 7.12 states:

"Verify an LEL gas warning (GAS.WARN) at 20% LEL and LEL gas alarm (GAS.ALARM) at 40% LEL by noting the following in the control room."

- 7.12.1 The Horn sounds
- 7.12.2 An indication is seen on the Network Monitor
- 7.12.3 An alarm printout occurs on the Network Printer
- 7.12.4 The red alarm light is illuminated on the Sensor Controller Card.

During the performance of covered task PLOQ713A, Sea Robin personnel performed the calibration steps, 7.2 through 7.9 for the gas detection sensor located over Compressor 1-Unit #2. The personnel failed to perform step 7.12 to verify that the gas detector low alarm trip and high alarm trip were functioning properly. In response to PHMSA inquiry as to why not all parts of the task were completed PHMSA inspectors were told that the complete testing could not be performed because it would cause a station shut down. PHMSA identified in the site specific procedure, 'Calibrate Gas Detectors' a note which states "Placing the Station safety systems in bypass mode will prevent a unit shutdown for the Gas Detection Warning Alarm signal (GAS.ALARM) caused by the testing procedure".

Sea Robin Personnel did not follow the actions required in their SOP and site specific procedures.

2. **§192.605 Procedural manual for operations, maintenance, and emergencies**
(a) **General.** Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Sea Robin personnel failed to follow their procedures for Conducting Atmospheric Corrosion Inspection. Sea Robin failed to provide protection against atmospheric corrosion as required by this procedure.

Sea Robin uses Panhandle Energy's Standard Operating Procedures (SOP) specifically Sea Robin utilized SOP D.44 "Atmospheric Corrosion Inspection." Section 7.4 Reporting states results of the inspection are to be documented:

1. Document metal loss evaluations in the Pipe inspection Database
2. Document coating evaluations and recommended actions in the Corrosion Database
3. Document remedial action plan using Form 7T-60 Remedial Action report.

PHMSA reviewed paperwork and noted the following:

South Marsh 33 platform. Panhandle Energy "CD_Atm_V_SMI_06 Atmospheric Report" [J-SMI 33] blow down notes:

5/28/08 moderate corrosion in flange area
7/17/09 a case 6 having blisters at supports and 1in blowdown has several defects at tank.
6/15/10 case 6 one inch cmv piping

East Cameron 195 platform. Panhandle Energy "CD_Atm_EC-WC_06 Atmospheric Report" [J-EC195] Riser 707 notes:

8/15/09 Riser is a Case 6 with corrosion at supports and scale along riser
8/9/10 Case 6, recoat riser

East Cameron 195 platform. Panhandle Energy "CD_Atm_EC-WC_06 Atmospheric Report" [J-EC195] Riser 701 notes:

8/15/09 Riser is a Case 6 with corrosion at supports
8/9/10 Case 6, recoat riser

Appendix B of this SOP identifies the various classification of coating Inspection. Case 6 coating classification is described as:

"Degradation of topcoat, but majority of primer and/or intermediate coat intact. Indications of pitting. Economic analysis indicates maintenance coating is cost effective."

The action required for a Case 6 classification is: "Coating rehabilitation required. Remove and replace existing coating system in areas where coating degradation is severe. Apply maintenance coating over intact portions of existing coating."

During the inspection, observations were made of the piping and components at the locations above. Each location displayed areas of deteriorated coating and extensive corrosion. Sea Robin personnel did not follow the actions required in their SOP.

3. 192.807 Recordkeeping.

(b) Records supporting an individual’s current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

Sea Robin failed to maintain current qualification records supporting the qualification of ‘Contractor, OQ’ for the maintenance of mainline valves 700-44, 700-46, and 700-48.

PHMSA reviewed the valve maintenance records. Task 7T0032E – Annual Valve Maintenance and Trouble Report (Emergency Valves) is designated as an OQ task. Work Order No: 169209, Assembly No: 94039, Amarada Hess Plant, indicates that the annual maintenance task for valves 700-44, 700-46, and 700-48 was partially done by “Contractor, OQ” on May 22, 2010. Sea Robin personnel stated they did not have the individual’s name or OQ records.

Sea Robin must maintain qualification records for individuals that perform or have performed covered tasks on the pipeline system.

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 \$19,000 as follows:

<u>Item number</u>	<u>PENALTY</u>
2	\$10,300
3	\$ 8,700

Proposed Compliance Order

With respect to items 1 and 2 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Sea Robin Pipeline Company. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 4-2011-2001** 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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Sea Robin Pipeline Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of Sea Robin Pipeline Company with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the failure to follow the established procedures when performing covered task PLOQ713A 'Commission and Maintain Stationary Gas Detection Systems,' Sea Robin should review their procedures and retrain and qualify those individuals responsible for the testing and maintenance of the Stationary Gas Detection Systems to ensure the procedures will be followed.
2. In regard to Item Number 2 of the Notice pertaining to the failure to follow SOP D.44 "Atmospheric Corrosion Inspection," Sea Robin must remediate the areas noted.
3. Aforementioned to be accomplished within 30 days following receipt of the Final Order.
4. It is requested (not mandated) that Sea Robin Pipeline Company maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.