

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 21, 2014

Mr. Randy Curry
President
Chevron Pipe Line Company
4800 Fournace Place
Bellaire, TX 77401-2324

CPF 4-2014-5012

Dear Mr. Curry:

On November 14, 2013, Chevron Pipe Line Company (CPL) experienced an excavation related accident on its West Texas LPG Pipeline System 10-inch Loop Line near Milford, TX (approximate Mile Post (MP) 39.44). As a result of this accident, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code conducted an accident investigation and performed an inspection of your related Damage Prevention practices.

As a result of the investigation and 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 must carry out, in accordance with this section, a written program to prevent damage to that pipeline from excavation activities.**

CPL's damage prevention program failed to prevent damage to its pipeline from excavation activities being performed by a second party contractor. On November 14, 2013, at 9:30 am, CPL's 10" West Texas LPG line was struck by their contractor installing cathodic protection facilities. As a result of incorrect facility location, the contractor placed a drilling rig directly over a 10-inch LPG pipeline and punctured the line with his drilling equipment. The line ruptured and subsequently ignited.

Prior to the start of excavation, the pipeline's location was identified incorrectly by CPL personnel, causing the pipeline to be damaged during the excavation activities being overseen by the operator. CPL generally followed the CPL damage prevention procedures, but the operator's damage prevention procedures lacked sufficient detail to ensure that the marking was performed properly.

The primary CPL procedure used for second-party excavation was Section 5 of the Core Liquids Manual. This procedure instructed the CPL personnel performing line locating to:

4) Use maps, as built documents, and other available data as necessary to assist in verifying that all facilities in a specific area are located and marked. If omissions or errors are discovered in facility mapping during the course of a locating activity, corrections must be submitted to the GIS Analyst in a timely manner.

CPL's procedure was not specific or detailed enough to ensure that the proper maps and locating techniques were used by the CPL employee performing the line locating. The CPL employee used his DeLorme Maps, the facility signs and markers at the jobsite and the location of the above ground 14-inch valve for information and located the pipeline using his RD8000 pipeline locator set to CP mode. CPL's two parallel lines in the right of way crossed each other several times and the accuracy of the DeLorme Maps as well as the disposition of an abandoned pipeline in the area were not fully investigated. The pipeline employee did not use any other pipeline maps or drawings. No additional line locating was performed, and the location below the proposed drilling site was not probed or checked by hand digging prior to starting the drilling operations. This was not a requirement of the CPL Damage Prevention procedure or Excavation HES 202 for second party foreign line crossings, but was a requirement for third party foreign line crossings (Core Liquids Manual Section 5, Foreign Line Crossing Procedure MIP 206).

2. §199.105 Drug tests required.

Each operator shall conduct the following drug tests for the presence of a prohibited drug:

(b) Post-accident testing. As soon as possible but no later than 32 hours after an accident, an operator shall drug test each employee whose performance either

contributed to the accident or cannot be completely discounted as a contributing factor to the accident. An operator may decide not to test under this paragraph but such a decision must be based on the best information available immediately after the accident that the employee's performance could not have contributed to the accident or that, because of the time between that performance and the accident, it is not likely that a drug test would reveal whether the performance was affected by drug use.

CPL failed to conduct post-accident drug testing within 32 hours for the employee performing line locating and marking prior for the accident that occurred on November 14, 2013 at 0933 hours local time. The post-accident testing was completed at 9:45 p.m. on November 15, 2013, a little more than 4 hours past the 32 hour limit for testing to be completed.

3. §199.225 Alcohol tests required.

Each operator shall conduct the following types of alcohol tests for the presence of alcohol:

(a) Post-accident. (1) As soon as practicable following an accident, each operator shall test each surviving covered employee for alcohol if that employee's performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. The decision not to administer a test under this section shall be based on the operator's determination, using the best available information at the time of the determination that the covered employee's performance could not have contributed to the accident.

(2)(i) If a test required by this section is not administered within 2 hours following the accident, the operator shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If a test required by paragraph (a) is not administered within 8 hours following the accident, the operator shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test.

CPL failed to conduct post-accident alcohol testing within 8 hours for the employee performing line locating and marking prior for the accident that occurred on November 14, 2013 at 0933 hours local time. The post-accident testing was completed at 9:45 p.m. on November 15, 2013, a little more than 28 hours past the 8 hour limit for testing to be completed.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a

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 \$158,400 for item 1.

Proposed Compliance Order

With respect to Item 1, pursuant to 49 United States Code § 60118, PHMSA proposes to issue a Compliance Order to CPL. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to items 2 and 3, we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these item(s). Failure to do so may result in additional enforcement action.

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. All material you submit in response to this enforcement action may be 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 4-2014-5012** 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 Chevron Pipe Line Company (CPL) a Compliance Order incorporating the following remedial requirements to ensure the compliance of CPL with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to CPL's Damage Prevention processes; CPL shall revise its damage prevention procedures to ensure that all excavation, whether first, second or third-party receive the same level of response and risk management to prevent damage to pipeline facilities.
2. In regard to Item Number 1 of the Notice pertaining to CPL's Damage Prevention process; CPL shall perform further investigation, including excavation as necessary to positively determine the disposition of the abandoned pipeline that was replaced by the installation of the 10-inch Loop Line in 1988. CPL shall determine if any other similar locations exist within the West Texas LPG System and develop a mechanism for communicating to employees performing line locating activities where potentially abandoned pipelines may exist through drawings or records that shall be utilized during the line locating process.
3. In regard to Item 1 of the Notice pertaining to CPL's Damage Prevention processes; CPL shall provide a method for physical marking and identification in the field for all CP test stations in right-of-ways containing parallel or multiple CPL lines in the West Texas LPG System to identify the pipeline to which the test station is connected. CPL shall update the DeLorme Mapping with the information collected from the field activities conducted under this item to ensure the accuracy of the CP records.
4. In regard to Items 1 through 3 of the Notice, all revised procedures resulting from the CPL RCA, requirements of this Order, or revisions to the CPL Damage Prevention Program shall be summarized in a listing and copies of each procedure or Plan shall be submitted in their entirety in final form to PHMSA, Southwest Region for review.
5. CPL shall carry out training for all affected employees to cover the procedural revisions resulting from this Order to specifically include supervisory personnel. CPL shall submit a training plan to PHMSA which identifies the affected procedures and proposed training schedule for approval prior to implementation.
6. CPL shall complete Items 1 through 5 no later than 90 days after the issuance of the Final Order.
7. It is requested (not mandated) that CPL maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Rod 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.