



July 1, 2014

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



Subject: Plan of Correction
CPF 4-2014-5014

Dear Mr. Seeley-

I am respectfully responding to your letter dated June 16, 2014, in which you alleged a number of inadequacies made part of CPF 4-2014-5014. Black Elk is submitting this letter to your office in response the alleged inadequacies:

Item No 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 system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Black Elk failed to follow their procedures on more than one occasion. In one case, Black Elk failed to follow their procedures specific to rectifier inspection. During the PHMSA field inspection Black Elk failed to follow their procedures on more than one occasion. In one case, Black Elk failed to follow their procedures specific to rectifier inspection. During the PHMSA field inspection, Black Elk's contractor responsible for monitoring rectifiers was asked to demonstrate how he inspects the rectifier at Tank Battery 45. He performed the inspection by reading the amps and volts gauge on the rectifier. When PHMSA asked if he ever checks the amps and volts with a multimeter he answered "not all the time".

Black Elk's procedure 10.6 Rectifier and Interference Bond Inspections states: [Step 4] "Measure the rectifier output voltage and current readings using the multimeter." The contractor did not perform this task and records cannot demonstrate that the voltage and current are checked with a multimeter during the rectifier surveys.

Black Elk also failed to follow their corrosion control procedures. Procedure 10.5 Cathodic Protection, states that: "... when examining results of coupon monitoring, any rate less than 1.0 mpy (mils per year) shall be considered nominal ... Any corrosion rate higher than 1.0 mpy (mils per year) will require additional investigation to determine if the appropriate actions needed in reducing corrosive effects to the pipeline."

On three different occasions, specifically on September 8, 2012 (Coupon D8482), October 5, 2012, (Coupon D8487), and August 10, 2013, (Coupon D7800) the corrosion coupon weight loss was greater than 1.0 mpy which required further investigation to determine the appropriate action needed to reduce the corrosive effect of the pipeline. Black Elk did not have any records to demonstrate that any appropriate action or investigation was taken to reduce the corrosive effect on the pipeline.

Black Elk Response:

Going forward Black Elk will document the coupon results review and any action, if necessary. Attached is the documented review of the 2013 coupon results.

Item No 2

§ 195.404 Maps and Records.

(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information;

(4) The diameter, grade, type and nominal wall thickness of all pipe. Black Elk failed to maintain current maps and records of its pipeline system to identify the diameter, grade, type, and nominal wall thickness of the pipe. During the inspection Black Elk provided transcribed records which could not be verified with original records of their Sabine Pass 13 (SA 13) 8 inch pipeline to verify the pipeline specifications. The pipeline was construction in 1981 and no original or copies of the manufacturer specification records (MTR), pipe mill records, purchase requisitions, or as built documentation indicating pipe yield strength, seam type, wall thickness and diameter. Due to the pipeline being constructed after the regulations became in effective, Black Elk should have acquired the records and documents from the previous owner to be in compliance with §195.404.

Black Elk Response:

Black Elk was unable to obtain these records from Nippon during the acquisition. Black Elk did pull information from the BSEE permit to include in the pipeline records. This information was supplied during the records review. The attached maps, also supplied during the records review, include the information pulled from the BSEE permits.

Black Elk Energy is committed to full compliance with the Commission's rules and appreciates your consideration in this matter. Please call me at 281-598-8689 if you have any questions or require additional information.

Sincerely,
Black Elk Energy
Karen Vanacor
Environmental, Health, & Safety Supervisor