

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 14, 2015

Mr. Troy Valenzuela  
Vice President Environmental Health & Safety  
Plains All American Pipeline Company  
333 Clay Street, Suite 1600  
Houston, TX 77002

**CPF 4-2015-5011W**

Dear Mr. Valenzuela:

During the week of July 21 - 25, 2014 representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the Plains Basin Pipeline System Construction Project for the replacement of the pipeline from Jal, New Mexico to Wink Texas. The construction was nearly complete at the time of the inspection.

As a result of the inspection, it appears that Plains has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. **§195.222(a) Qualifications of Welders**
  - (a) **Each welder or welding operator must be qualified in accordance with section 6 or 12 of API Std 1104 (incorporated by reference, see §195.3) or with Section IX of ASME Boiler and Pressure Vessel Code (BPVC) (incorporated by reference, 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.**

Plains All American failed to perform welding on construction of the Jal, NM to Wink, TX segment of the Basin Pipeline System pipeline replacement project in accordance with 49CFR §195.222, Welders: Qualifications of Welders, and API 1104, Sec. 6.2.1 (ibr). Plains presented PHMSA with the Welding Procedure Specification CS-G60L203 in the field on the Jal, NM to Wink, TX segment of the pipeline construction. Plains documented that the pipeline for this segment of the project was X60 grade pipe. The procedure presented to PHMSA did call for the welder to qualify within the range of pipe grade(s) API 5L X46 thru API 5L X60, however, PHMSA determined that this presented a welder qualification

problem given that the welders were making the qualifying welds with X42 grade pipe and therefore in violation of 49 CFR §195.222 (API 1104, Sec. 6.1) which requires welders to be qualified to previously qualified procedures. The welders did not qualify using a grade of material within the range of the Plains Pipeline qualified welding procedure. Plains agreed that the welders should be qualified using materials within the parameters of the procedure.

**2. §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.**

Plains All American failed to have proper Welding Procedures in place for the construction of the Jal, NM to Wink, TX segment of the Basin Pipeline System pipeline replacement project in accordance with 49CFR §195.214 Welding Procedures and API 1104, Sec. 5.4.2.2 (ibr). After the problem with the Welders Qualifying using Plains Procedure Specification CS-G60L203 was pointed out, PHMSA was presented with Plains Procedure Specification CS-G4265L205. This Procedure Specification covered pipe grades API 5L X42 to API 5L X65. This presented PHMSA with a procedural problem given that the grade of material specified in the Procedure Specification crosses over the pipe grade classification groupings specified in §195.214 (API 1104, Section 5.4.2.2 ibr).

Section 5.4.2.2 of API 1104, states that a change in base material constitutes an essential variable. When welding materials of two separate material groups, the procedure for the higher strength group shall be used. For the purposes of this standard, all materials shall be grouped as follows:

- a. Specified minimum yield strength less than or equal to 42,000 psi (290 MPa).
- b. Specified minimum yield strength *greater than 42,000 psi (290 MPa) but less than 65,000 psi (448 MPa)*.
- c. For materials with a specified minimum yield strength greater than or equal to 65,000 psi (448 MPa), each grade shall receive a separate qualification test.

The Procedure Specification did not state the correct Specified minimum yield strength for the pipeline material grade group. Plains stated the Material Group for the Procedure Specification CS-G4265L205 as API 5L X42 to API 5L X65. Section 5.4.2.2 of API 1104 specifies that this material group be stated as *greater than 42,000 psi (290 MPa) but less than 65,000 psi (448 MPa)*. Plains material group stated in CS-G4265L205 overlapped the boundaries of the grouping and therefore in violation of 49 CFR §195.214 (API 1104, Sec 5.4.2.2(b), ibr).

PHMSA later received correspondence from Plains that stated the Procedures Specification used on the Jal, NM to Wink, TX pipeline construction was CS-F52M214 and CS-G60L203. This information stating the Procedure Specification used on the pipeline construction did not include Procedure Specification CS-G4265L205, presented to PHMSA as one of the Procedure Specification used for the construction of this segment of the pipeline. Procedure Specification CS-F52M214 states that it is the

Specification for Branch Welding, whereas CS-G60L203 is a Specification for Butt Welding. Regardless, the material stated in CS-F52M214 is API 5L X52 and the welders were using X42 to qualify and did not qualify to the specifications stated in the Plains Welding Procedure Specifications. Plains must ensure that the welding procedures used for the construction projects are consistent with the requirements of API 1104 and the materials used for the projects.

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. 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 correct the item(s) identified in this letter. Failure to do so will result in Enable being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2015-5011W**. 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).

Sincerely,

R. M. Seeley  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration