

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 30, 2018

Mark Cluff
Vice President, Safety and Operational Discipline
Black Marlin Pipeline Company
One Williams Center
P. O. Box 2400
Tulsa, Oklahoma 74102

CPF 4-2018-2002

Dear Mr. Cluff:

From January 24-27, 2017 to May 30-31, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected the Black Marlin Pipeline Company, Offshore-Texas City pipeline systems in the GOM High Island area. Black Marlin Pipeline Company (Black Marlin) is a subsidiary of Williams Pipeline Partners, LP.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. §192.477 Internal corrosion control: Monitoring.

If corrosive gas is being transported, coupons or other suitable means must be used to determine the effectiveness of the steps taken to minimize internal corrosion. Each coupon or other means of monitoring internal corrosion must be checked two times each calendar year, but with intervals not exceeding 7½ months.

Black Marlin failed to monitor their offshore natural gas gathering pipeline system for internal corrosion in accordance with §192.477.

According to Black Marlin, there has been no gas sampling/monitoring of this pipeline system in the last three years. Following an incident on April 11, 2014, the pipeline was taken out of service and shut-in at approximately 50psig. A copy of the latest records for the monitoring/sampling was requested but was not provided. The pipeline has not transported product and has been disconnected from all sources of supply.

2. §192.479 Atmospheric corrosion control: General.

(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

Black Marlin failed to ensure that the above ground sections of piping at the Kinder Morgan Facility Meter Station were cleaned and coated as required by 192.479(a).

After reviewing the record for Atmospheric Corrosion inspections, the last inspection dated 7/22/2014, Williams personnel noted that the "Coating not adequate-skirting on vessel rusted thru." During the field inspection, the area designated on the records as the Kinder Morgan Facility Meter Station was noted to be in need of cleaning and painting and a work order had not been completed.

On August 14, 2017, Black Marlin provided documentation that the pipe was blasted and recoated.

3. §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 once 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.

a. Black Marlin failed to provide documentation showing that the Emergency Plan for the Western GOM was reviewed in 2014 or 2015.

The Emergency Site Specific plan for Black Marlin Pipeline designated as the Western GOM (rev. 09; eff. 7/22/13) -was last reviewed 1/11/2017. The log for the site-specific plan does not show that the plan was reviewed in 2014 or 2015.

b. Black Marlin failed to follow the Williams Internal Corrosion Control Program, Procedure 7.05-ADM-008; Section 2.6 Inspecting Pipe Removed from Service (195.579, 192.475(b)), and CSA Z662-1007 to inspect the internal pipe surface whenever pipe is removed as required by §192.475(b).

As a result of the April 11, 2014 incident, a valve was replaced on the Black Marlin Pipeline system on the High Island 136 platform. The records review did not contain Form 02-OPR-1581-Maintenance Report detailing the repair, condition of the pipe, etc. nor a form similar to it.

c. Black Marlin BM failed to follow procedure Williams SIP Emergency Response Plan; 12.01-ADM-002; Section 4.7.1 and did not use form 02-OPR-1638 – Emergency Response form as required.

On April 11, 2014, an incident occurred involving the failure of a drain plug on a mainline valve. After the incident, Black Marlin developed a power point training of the incident for employees. This training reviewed what occurred during the incident and involved a discussion about issues, corrective actions and lessons learned. A critique was conducted of employee actions during the incident. It appears that although an evaluation was performed of employee activities on this incident, the specific form required by Williams SIP Emergency Response Plan; 12.01-ADM-002; Section 4.7.1 (Emergency Response form - 02-OPR-1638) was not included in the information received for the 2014 incident. There was no record that noted what employees received the training.

d. Black Marlin failed to follow Williams 9.08-ADM-001-Job Planning Procedure and maintain records showing that a tailgate safety meeting was performed every day on a project.

On Tuesday, April 12, 2016, Black Marlin Pipeline conducted a project to blow down a segment of the pipeline system (BM1 to valve 050 at facility in Texas City). During this time, Black Marlin (Williams) personnel performed and created a WES-96-permit to work which contains hot work information with or without welding, cutting, etc. Although there was no welding/cutting on the pipeline performed, there was a Job Plan created for the project. This job plan contained information required for the completion of the job. It included a tailgate form, WES-96, and LOTO

forms. According to the Job Plan and Job Plan Procedure, the question on the WES-96 asks if a "Tailgate Safety Meeting has been conducted and documented on WES-12-Daily Tailgate Meeting Form" or equivalent. The WES-96 for that Project was conducted from April 12, 2016 to April 15, 2016. The WES 96-Permit to Work states that a tailgate safety meeting is required daily on WES-12 Daily Tailgate Meeting Form.

4. §192.707 Line markers for mains and transmission lines.

(a) *Buried pipelines.* Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:

(1) At each crossing of a public road and railroad; and

(2) Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference.

(d) *Marker warning.* The following must be written legibly on a background of sharply contrasting color on each line marker:

(1) The word "Warning," "Caution," or "Danger" followed by the words "Gas (or name of gas transported) Pipeline" all of which, except for markers in heavily developed urban areas, must be in letters at least 1 inch (25 millimeters) high with 1/4-inch (6.4 millimeters) stroke.

(2) The name of the operator and the telephone number (including area code) where the operator can be reached at all times.

Black Marlin Pipeline failed to place and maintain line markers that meet the requirements of §192.707(d).

During the field inspection, it was noted that Black Marlin transports natural gas through several subdivisions. At one location, there was no line marker at the entrance to the Pelican Harbour Subdivision but was placed on the fences of the residents on the corner. The line markers for the Black Marlin Pipeline was not visible to the public and do not meet the requirements of §192.707.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

With respect to items 1 and 4, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Black Marlin Pipeline Company. 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 items. 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. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 4-2018-2002** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Mary L. McDaniel, P. E.
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 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Black Marlin Pipeline Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of Black Marlin Pipeline Company with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to internal corrosion monitoring of the pipeline system, Black Marlin must conduct internal corrosion monitoring of the pipeline system or abandon the pipeline in accordance with §192.727 and provide PHMSA with an update of the completed actions.
2. In regard to Item Number 4 of the Notice pertaining to Black Marlin's failure to place and maintain appropriate line markers in the Harbour Subdivision, Black Marlin should place and maintain adequate line markers in this area.
3. Black Marlin should complete item 4 within 30 days of receipt of the Final Order. Item Number 1 should be completed within 60 days of receipt of the Final Order.
4. It is requested (not mandated) that Black Marlin Pipeline Company maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary L. McDaniel, 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.