

NOTICE OF AMENDMENT

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

February 5, 2021

Liam Mallon
President
ExxonMobil Upstream Oil & Gas Company
ExxonMobil Production Company, A Division of Exxon Mobil Corporation
22777 Springwoods Village Parkway
Spring, Texas 77389

CPF 4-2021-012-NOA

Dear Mr. Mallon:

From July 7, 2020 through September 25, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected ExxonMobil Production Company's (ExxonMobil) operations, maintenance, and integrity management records for its Santa Ynez Unit offshore facilities located in Santa Barbara, California.

On the basis of the inspection, PHMSA identified the apparent inadequacies found within ExxonMobil's plans or procedures as described below:

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....
 - (e) **Emergencies.** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:
 - (1) **Receiving, identifying, and classifying notices of events which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action.**

ExxonMobil's *Operations, Maintenance, & Emergency Manual* (OME Manual) 12/20/2019 hazardous liquid pipelines, "Section 2.1.2 Emergency Operation" under "Section 2.1 Requirements for Abnormal and Emergency Operations Procedures" is

inadequate to assure safe operation of a pipeline. Specifically, Section 2.1 does not provide adequate guidance for receiving, identifying, and classifying notices of events, which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action as required by § 195.402(e)(1).

While ExxonMobil's OME Manual references § 195.402(e)(1), it does not have written procedures describing the process for how the operator will achieve the code requirement. ExxonMobil must amend its procedures and manual to address this inadequacy.

2. **§ 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....**

§ 195.573 - What must I do to monitor external corrosion control?

- (a) ***Protected pipelines.* You must do the following to determine whether cathodic protection required by this subpart complies with §195.571:**
- (1) ...
 - (2) **Identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169 (incorporated by reference, *see* § 195.3).**

ExxonMobil's OME Manual, "Section 3.4.2 Cathodic Protection Systems - Operation, Surveillance, and Maintenance" is inadequate as it is not in accordance with requirements in § 195.573(a)(2). The procedure does not include the requirement to identify, not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169.

ExxonMobil must amend its procedures to include provisions for determining the circumstances in which a close interval survey is practicable and necessary as required in § 195.573(a)(2).

3. **§ 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....**

§ 195.58 - Report submission requirements.

- (a) **General.** Except as provided in paragraphs (b) and (e) of this section, an operator must submit each report required by this part electronically to PHMSA at <http://opsweb.phmsa.dot.gov> unless an alternative reporting method is authorized in accordance with paragraph (d) of this section.
- (b) ...
- (d) **Alternate Reporting Method.** If electronic reporting imposes an undue burden and hardship, the operator may submit a written request for an alternative reporting method to the Information Resources Manager, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, PHP-20, 1200 New Jersey Avenue, SE., Washington DC 20590. The request must describe the undue burden and hardship. PHMSA will review the request and may authorize, in writing, an alternative reporting method. An authorization will state the period for which it is valid, which may be indefinite. An operator must contact PHMSA at 202-366-8075, or electronically to "informationresourcesmanager@dot.gov" to make arrangements for submitting a report that is due after a request for alternative reporting is submitted but before an authorization or denial is received.

ExxonMobil's OME Manual, "Section 2.3.6.3 Safety-Related Conditions" is inadequate because it does not provide guidance for submitting safety related condition (SRC) reports as required by § 195.58. ExxonMobil's OME Manual does not describe where and how to submit an SRC report to PHMSA. Although the manual requires ExxonMobil personnel to complete a *DOT Form 3: DOT Facility Event Record* for each potential SRC, neither the manual nor DOT Form 3 include at a minimum the portal website, or the alternate email address or the mailing address, for submitting SRC reports to PHMSA.

ExxonMobil must amend its procedure to provide adequate guidance for submitting SRC reports in accordance with the requirement of § 195.58.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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, revised procedures, or a request for a hearing under § 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that ExxonMobil Production Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Mary L. McDaniel, P.E., Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2021-012-NOA**, 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