



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W Dakota Ave , Suite 110
Lakewood, CO 80228

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 2, 2007

Mr. Hank True
President
Belle Fourche Pipeline Company
895 W. River Cross Road
Casper, WY 82602

SENT TO COMPLIANCE REGISTRY

Hardcopy Electronically
of Copies 1 / Date 2/1/07

CPF No. 5-2007-5002

Dear Mr. True:

Between June 6-10, 2005, July 18-21, 2005, and August 15-18, 2005, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your of Belle Fourche Pipeline Company's (BFPL) Belle Fourche pipeline systems in Montana and Wyoming. This inspection included a review of supporting Operation and Maintenance (O&M) records for all systems in Casper and New Castle, Wyoming and Baker, Montana.

As a result of the 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 violations are:

1. §195.110. External loads

(a) Anticipated external loads (e.g.), earthquakes, vibration, thermal expansion, and contraction must be provided for in designing a pipeline system. In providing for expansion and flexibility, §419 of ASME/ANSI B31.4 must be followed.

The Sussex pump station and breakout tank was constructed in 2000 and still has temporary wooden and concrete blocks used as supports under the pig trap and receiver as well as supports for the tank booster pump piping.

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. 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 commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

- a. During the interim time period when BFPL was developing a combined manual of operation and maintenance procedures for BFPL and the Bridger Pipeline Company, BFPL was using their old manual for day to day operations and maintenance procedures. The BFPL manual that was used during the interim period exceeded the required review period between January 23, 2004 when the BFPL manual was last reviewed and July 2005 when the new combined manual was adopted, a period of 17.3 months.
- b. BFPL procedures require periodic review of work done by the operator to determine the adequacy of procedures used in normal operations and maintenance. BPL has not completed any of these reviews.
- c. BPL procedures require periodic review of work done by the operator to determine the adequacy of procedures used in controlling abnormal operations. BPL has not completed any of these reviews.

3. **§195.402 Procedural manual for operations, maintenance, and emergencies.**

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(12) Establishing and maintaining liaison with fire, police, and other appropriate public officials to learn the responsibility and resources of each government organization that may respond to a hazardous liquid or pipeline emergency and acquaint the officials with the operator's ability in responding to a hazardous liquid or carbon dioxide pipeline emergency and means of communication.

BFPL liaison activity efforts do not insure that local responders, including those at remote locations, understand how to respond to a pipeline emergency for the Belle Fourche pipeline system.

§195.403 Emergency Response Training.

(b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:

(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and
(c) Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under 195.402 for which they are responsible to ensure compliance.

- a. BFPL does not review with personnel, once each calendar year not to exceed 15 months, their performance in meeting the objectives of the emergency response training program.
- b. BFPL does not verify that their supervisors have adequate knowledge of emergency response procedures.

4. §195.404 Maps and Records.

(b) Each operator shall maintain for at least 3 years daily operating records that indicate-

(2) Any emergency or abnormal operation to which the procedures under §195.402 apply.

There is no documentation of abnormal operations and actions taken in response to those abnormal operations for the Belle Fourche pipeline system.

5. §195.410 Line markers.

(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:

(1) Markers must be located at each public road crossing, at each railroad crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.

During this inspection several markers were down along the Belle Fourche system's Bicentennial line.

6. §195.420 Valve maintenance.

(c) Each operator shall provide protection for each valve from unauthorized operation and from vandalism.

Neither the vault nor the block valve on Belle Fourche system's Bicentennial line west of Wibaux, Montana was locked to prevent unauthorized operation.

7. §195.440 Public awareness

Each operator shall establish a continuing educational program to enable the public, appropriate government organizations and persons engaged in excavation-related activities to recognize a hazardous liquid or a carbon dioxide pipeline emergency and

to report it to the operator or the fire, police, or other appropriate public officials. The program must be conducted in English and in other languages commonly understood by a significant number and concentration of non-English speaking population in the operator's operating areas.

BFPL Public Awareness Program does not provide adequate pipeline information to the general public.

8. §195.583 What must I do to monitor atmospheric corrosion control?

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located: Then the frequency of inspection is:

Onshore

At least once every 3 calendar years, but with intervals not exceeding 39 months

Offshore

At least once each calendar year, but with intervals not exceeding 15 months

(b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbanded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by Sec. 195.581.

BFPL has not completed or documented any of their atmospheric corrosion inspections. BFPL has no plan for examining those pipe surfaces that are in contact with concrete saddles.

Proposed Compliance Order

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to BFPL. Please refer to the *Proposed Compliance Order* that is enclosed and made a part of this Notice.

Warning Items

With respect to items 2a, 2b, 2c, 3, 4a, 4b, 5, 6, 7, and 8 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. Be advised that failure to do so may result in BFPL being subject to 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. 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 5-2007-5002** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

cc: PHP-60 Compliance Registry
PHP-500 (G. Davis 114331, 114330, 114253)

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to BFPL a Compliance Order incorporating the following remedial requirements to ensure the compliance of BFPL with the pipeline safety regulations:

1. With respect to Item 1 of the Notice, BFPL must:
Remove and replace all existing temporary supports on above ground pipeline appurtenances at the Sussex pump station and replace with adequate permanent supports.

Provide PHMSA documentation showing the replacement of all temporary supports at the Sussex pump station.

2. With respect to Item 9 of the Notice BFPL must:
Complete an atmospheric corrosion inspection of all exposed piping on the Poplar, Butte, and Belle Fourche pipelines. These inspections shall include but not be limited to the soil to air interfaces and under pipe supports.

Document all of the above inspections.

Provide protection for all areas of corrosion found during the above inspections.

3. Within 60 days of issuance of the Final Order, Belle Fourche Pipeline Company must complete the above items, and submit the required documentation and procedures to the Director, Western Region, Office of Pipeline Safety, Pipelines and Hazardous Materials Administration, Lakewood, Colorado 80228.
4. BFPL must maintain documentation of the costs associated with fulfilling this compliance order and submit the total to the Director, Western Region, Office of Pipeline Safety.
5. BFPL shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.