



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
Bridger Pipeline Company LLC
455 North Poplar Street
Casper, WY 82601

SENT TO COMPLIANCE REGISTRY
Hardcopy Electronically
of Copies 1 / Date 2/9/07

CPF No. 5-2007-5003

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 Bridger Pipeline Company's (BPL) Poplar pipeline system in Montana. This inspection included a review of supporting Operation and Maintenance (O&M) records for all systems in Casper and New Castle, Wyoming as well as Glendive 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. **§195.49 Annual report**

Beginning no later than June 15, 2005, each operator must annually complete and submit DOT form RSPA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year. A separate report is required for crude oil, HVL (including anhydrous ammonia), petroleum products, and carbon dioxide pipelines. Operators are encouraged, but not required, to file an annual report by June 15, 2004, for calendar year 2003.

Data is incorrect on the Annual Report for Calendar Year 2004 for the Poplar pipeline. The Poplar pipeline report does not state all of the miles of electronic resistance weld pipe installed between 1950 and 1959.

2. **§195.204 Inspection - General.**

Inspection must be provided to ensure the installation of pipe or pipeline systems in accordance with the requirements of this subpart. No person may be used to perform inspections unless that person has been trained and is qualified in the phase of construction to be inspected.

Records for the Poplar pipeline integrity repair work in 2005 do not adequately document construction and welding inspection. Additionally records did not include qualifications of construction and welding process inspectors.

3. **§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.

(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

Butt weld and fillet weld procedures used for the Poplar pipeline integrity repairs completed in 2005 were not qualified using destructive testing.

4. **§195.230 Welds: Repair or removal of defects.**

(a) Each weld that is unacceptable under §195.228 must be removed or repaired. Except for welds on an offshore pipeline being installed from a pipe lay vessel, a weld must be removed if it has a crack that is more than 8 percent of the weld length.

(b) Each weld that is repaired must have the defect removed down to sound metal and the segment to be repaired must be preheated if conditions exist which would adversely affect the quality of the weld repair. After repair, the segment of the weld that was repaired must be inspected to ensure its acceptability.

Records show that weld number XR 11 made during a short segment replacement project on the Poplar pipeline was rejected for a pinhole. There is no record that this weld was repaired and re-inspected. This weld XR 11 is not the same weld XR 11 that was part of the 17,000 foot repair project on the Poplar Pipeline.

5. **§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:

(1) Making construction records, maps, and operating history available as necessary for safe operation and maintenance.

Alignment sheets reviewed in Glendive for the Poplar pipeline have been redlined to reflect new crossings and other changes. BPL reported that this set of alignment sheets are the only updated copy for the Poplar pipeline.

6 §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. BPL 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.
- b. 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.

7. §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.

BPL liaison activity efforts do not insure that local responders, including those at remote locations, understand how to respond to a pipeline emergency for the Poplar, and Butte pipeline systems.

8. §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. BPL 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. BPL does not verify that their supervisors have adequate knowledge of emergency response procedures.
9. **§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 Poplar pipeline segment that is north of Glendive just south of the Highway 254 crossing.

10. **§195.422 Pipeline Repairs.**
- (a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.**

None of the several type B repair sleeves installed on the Poplar pipeline in 2005 were NDTed at the sleeve to pipe fillet welds. Operator's records do not appear to indicate if these welds were visually examined. Industry practice has been to use some type of NDT inspection of all sleeve to pipe fillet welds to insure that repairs are made in a safe manner to prevent damage to persons or property during and after repairs.

11. **§195.428 Overpressure safety devices and overflow protection systems**
- (a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.**

BPL does not, once each calendar year not to exceed 15 months, test or calibrate pressure transducers that transmit data to the SCADA center on the Poplar pipeline. Pressure transmitters that send pressure data to manned SCADA centers are part of the pressure control system and as such must be tested once each calendar year not to exceed 15 months.

12. §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.

BPL's Public Awareness Program is inadequate at providing pipeline information to the general public.

13. §195.579 What must I do to mitigate internal corrosion?

(c) Removing pipe. Whenever you remove pipe from a pipeline, you must inspect the internal surface of the pipe for evidence of corrosion. If you find internal corrosion requiring corrective action under Sec. 195.585, you must investigate circumferentially and longitudinally beyond the removed pipe (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed pipe.

There is no documented internal inspection of pipe upstream or downstream of pipe replacements that were part of the integrity repairs for the Poplar Pipeline.

14. §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 disbonded 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.

BPL has not completed or documented any of their atmospheric corrosion inspections. BPL 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 BPL. Please refer to the *Proposed Compliance Order* that is enclosed and made a part of this Notice.

Warning Items

With respect to item(s) 1, 2, 6a, 6b, 7, 8a, 8b, 9, 12, and 13 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 item(s). Be advised that failure to do so may result in BPL 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 5-2007-5003** 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 BPL a Compliance Order incorporating the following remedial requirements to ensure the compliance of BPL with the pipeline safety regulations:

1. With respect to Item 3 of the Notice BPL must:
Ensure that all weld procedures used for pipeline construction, repairs, and operation and maintenance have been qualified using destructive testing

Provide PHMSA records of all the above welding procedures to include the qualification records.

2. With respect to Item 4 of the Notice BPL must:
Excavate and examine XR 11 on a short replacement project on the Poplar pipeline not to be confused with weld XR 11 that was part of the 17,000 foot repair project on the Poplar pipeline.

If defects are found then those defects shall be repaired.

Document all inspection and repair activities and provide those records to PHMSA.

3. With respect to Item 5 of the Notice BPL must.
Update all Poplar pipeline alignment sheets used by operations and maintenance personnel to accurately reflect the location of breakout tanks, pump stations, scraper and sphere facilities, pipeline valves, facilities to which §195.402(c)(9) applies, rights-of-way, safety devices to which §195.428 applies, all crossings of public roads, railroads, rivers, buried utilities and foreign pipelines, the maximum operating pressure of each pipeline, and the diameter, grade, type and nominal wall thickness of all pipe.

Ensure that appropriate operations personnel receive copies of these revised drawings.

Provide a copy of those updated alignment sheets to PHMSA.

4. With respect to Item 10 of the Notice BPL must:
Excavate and nondestructively test 50% of all sleeve to pipe fillet welds made as part of the Poplar pipeline integrity repairs of 2004 and 2005.

If any of the excavated welds shows indications of cracking then the balance of all welds will be excavated and nondestructively tested.

Provide documentation of all weld inspections and any associated repairs to PHMSA.

5. With respect to Item 11 of the Notice BPL must:
Test all pressure transducers that are used for operations of the Poplar pipeline including those transducers that are part of the computational pipeline monitoring (CPM) system.

Ensure that all pressure transducers that are used for operations of the Poplar pipeline, including those transducers that are part of the CPM system, are tested and inspected once each calendar year not to exceed 15 months.

Provide documentation of tests for all pressure transducers that are used for operations of the Poplar pipeline including those transducers that are part of the CPM system.

6. With respect to Item 14 of the Notice BPL must:
Complete an atmospheric corrosion inspection of all exposed piping on the Poplar and pipeline. 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.

7. Within 60 days of issuance of the Final Order, Bridger Pipeline Company (BPL) must complete the above items, and submit the required documentation and procedures to the Director, Western Region, Pipeline and Hazardous Materials Administration, 12300 West Dakota Ave, #110, Lakewood, Colorado 80228.
- 8 BPL 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.