

**Facsimile****ExxonMobil**  
*Pipeline*

Date:03/27/07

Subject: Notice of Amendment  
PHMSA #CPF 5-2007-5005MTo: Mr Chris Hoidal  
PHMSA Director  
Western Region

Pages: (Including Cover)

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 Please Comment / ReplyFrom: Thad Massengale  
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Message: Mr. Hoidal the following is response to PHMSA's Notice of Amendment #CPF 5-2007-5005M pertaining to a Liquid Pipeline Inspection conducted on EMPCo's Silvertip to Billings Pipeline in June 2006. The NOA was sent to Mr. John Y. DuPre. Mr. DuPre has moved on to other assignments, please send future correspondence on this matter to Mr. Jimmie James, address is included in the response. Thank you.

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**1. § 195.222. Welders: Qualification of welders**

(b) No welder may weld with a welding process unless, within the preceding 6 calendar months, the welder has--

(1) Engaged in welding with that process; and

(2) Had one weld tested and found acceptable under section 9 of API 1104.

**PHMSA Allegation:**

ExxonMobil Pipeline Company's (EMPCo) Pipeline Welding Manual procedures state that a welder may not weld with a particular welding process unless that welder has welded and had an acceptable NDT using that process within the previous 12 months. The correct time limitations must be incorporated.

**EMPCo Response:**

EMPCo does not dispute this finding. As noted in an e-mail sent to PHMSA inspector, Mr. Jerry Davis, October 2, 2006, (Attachment 1) the EMPCo Pipeline Welding Manual was corrected to incorporate the six month limitation. Page 22 of the Pipeline Welding Manual now states:

**3.2.5. Welder Requalification**

## 1) Requalification Time Period (Pipeline Welders)

a) Company welders and term contractor welders - Company welders and term contractor welders that work steadily for the Company shall be requalified at periodic intervals not to exceed 6 months pipeline work.

**2. § 195.228. Welds and welding inspection: Standards of acceptability**

(b) The acceptability of a weld is determined according to the standards in Section 9 of API 1104. However, if a girth weld is unacceptable under those standards for a reason other than a crack, and if Appendix A to API 1104 (incorporated by reference, see § 195.3) applies to the weld, the acceptability of the weld may be determined under that appendix.

**PHMSA Allegation:**

Nondestructive testing (NDT) procedures in EMPCo's DOT Liquids Manual reference 49CFR Section 195.228 instead of referencing Section 9 of API 1104.

**EMPCo Response:**

EMPCo disagrees that this procedure is inadequate. By referencing 49CFR 195.228 in its DOT Liquids Manual, Section 9 of API 1104 is already referenced in EMPCo's procedures. The EMPCo's DOT Liquids Manual was thoroughly reviewed and found to be in compliance with all applicable requirements by a centralized DOT review team, November 4 - 7, 2002. This was a focused and comprehensive audit which did not result in a recommended change to this section of EMPCo's procedures.

Additionally, EMPCo's DOT Liquids Manual is scheduled for another DOT Procedural Manual review during the week of April 2, 2007. This allegation could have a broad impact on the structure of EMPCo's DOT Liquids Manual, thus we feel it is more appropriate to discuss this issue during the DOT centralized review.

**3. § 195.434. Signs**

Each operator must maintain signs visible to the public around each pumping station and breakout tank area. Each sign must contain the name of the operator and a telephone number (including area code) where the operator can be reached at all times.

**PHMSA Allegation:**

EMPCo's DOT Liquids Manual signage procedure only calls for signage around breakout tanks, meters, valves, and other critical locations, but not specifically pump stations.

**EMPCo Response:**

EMPCo disagrees that this procedure is inadequate. During the inspection it was explained to the Inspector that "Critical Locations" in a pipeline context would necessarily include pump stations. All field pump locations had the appropriate signage. Since the addition of "pump station" was a relatively easy addition, the change was made to EMPCo's DOT Liquids Manual during the next revision. This was communicated to the inspector in an e-mail sent to the PHMSA inspector October 2, 2006, (Attachment 1).

EMPCo's DOT Liquids Manual signage procedure now states:

**(5) Emergency Notification**

(A) Install station emergency information signs at each meter station, regulator station, pump station, valve site, and other critical locations where considered appropriate, Company's Name and Emergency Telephone Number shall be correctly identified.

**4. § 195.569. Do I have to examine exposed portions of buried pipelines?**

Whenever you have knowledge that any portion of a buried pipeline is exposed, you must examine the exposed portion for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If you find external corrosion requiring corrective action under § 195.585, you must investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

**PHMSA Allegation:**

EMPCo's DOT Liquids Manual, Exposed Pipe procedures for the examination of exposed portions of pipelines does not reference the form that EMPCo employees use when implementing this function.

**EMPCo Response:**

EMPCO disagrees that the procedure is inadequate. At the time of the audit EMPCo's DOT Liquids Manual specified that "Condition of the coating and the extent of external corrosion must be recorded." The fact that a particular form number was not specified does not make the procedure inadequate as 49 CFR 195 does not specifically require form numbers be listed. EMPCo did however agree that the inclusion of the form number would add value to the procedure, and it has

been added to The DOT Liquids Manual. This was communicated to the inspector in an e-mail sent to the PHMSA inspector October 2, 2006, (Attachment 1). The manual now reads:

**A. Exposed Pipe**

Whenever a covered pipeline is uncovered, a Company representative at the site must thoroughly inspect the pipe, and complete Form PL-751. When there is evidence of significant corrosion, the person responsible for corrosion matters must be notified. The responsible person investigates the extent of corrosion and determines if cathodic protection levels are adequate. If protection is not adequate, the technician must recommend corrective actions. Condition of the coating and the extent of external corrosion must be recorded.

**5. § 195.573. What must I do to monitor external corrosion control?**

(b) Unprotected pipe. You must reevaluate your unprotected buried or submerged pipe and cathodically protect the pipe in areas in which active corrosion is found, as follows:

(1) Determine the areas of active corrosion by electrical survey, or where an electrical survey is impractical, by other means that include review and analysis of leak repair and inspection records, corrosion monitoring records, exposed pipe inspection records, and the pipeline environment.

(2) For the period in the first column, the second column prescribes the frequency of evaluation.

Period	Evaluation frequency
Before December 29, 2003	At least once every 5 calendar years, but with intervals not exceeding 63 months.
Beginning December 29, 2003	At least once every 3 calendar years, but with intervals not exceeding 39 months.

**PHMSA Allegation:**

Though EMPCo's DOT Liquids Manual discusses the possibility that EMPCo may have bare pipe, corrosion procedures do not give guidance for cathodically protecting bare pipe.

**EMPCo Response:**

EMPCO disagrees that the procedure is inadequate. EMPCo explained to the inspector that there is no unprotected pipe in the audit focus area, (EMPCo's Silvertip to Billings pipeline) and that EMPCo's Cathodic Protection program included in EMPCo's Facilities Inspection and Maintenance Management System (FIMMS) states that:

**A. PLANNING**

EMPCo and government regulations set survey requirements and

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Date

frequency. EMPCo's intent is to provide cathodic protection to all regulated assets.

We have attempted to provide a detailed response to each allegation of inadequate procedures in the event that these matters can be resolved outside of a hearing. However, if a solution to this matter cannot be agreed upon based on the information provided in this letter, we reserve our right to a hearing on all issues outlined in the Notice, at which time we would be represented by counsel.

Sincerely,

A handwritten signature in black ink, appearing to be 'KSA', with a long horizontal stroke extending to the right.

Attachments

10/02/06 e-mail document

# ATTACHMENT 1

## Montana DOT Audit June 2006 Findings

### 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.

**FINDING:** EMPCo's Liquid Manual should cite the proper version of the correct standard (API 1104 in this case) and not reference the regulation (49CFR 195)

**RESPONSE:** EMPCo's Liquid Manual was reviewed and approved by a team of inspectors in 2002, the manual will be eligible for review again next year in 2007. EMPCo would like to address this issue during the next O&M Manual review.

### 195.222 Welders: Qualification of welders.

(a) Each welder must be qualified in accordance with section 6 of API 1104 (ibr, see §195.3) or section IX of the ASME Boiler and Pressure Vessel Code, (ibr, 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.

(b) No welder may weld with a welding process unless, within the preceding 6 calendar months, the welder has—

(1) Engaged in welding with that process; and

(2) Had one welded tested and found acceptable under section 9 of API 1104 (ibr, see §195.3).

**FINDING:** EMPCo's Welding manual states that welders on liquid lines must requalify at intervals not exceeding 12 months.

#### 3.2.5. Welder Requalification

1) Requalification Time Period (Pipeline Welders)

a) Company welders and term contractor welders - Company welders and term contractor welders that work steadily for the Company shall be requalified at periodic intervals not to exceed 12 months for liquid pipeline work and 6 months for gas pipeline work.

**RESPONSE:** EMPCo's Welding Manual has been revised to state that welders on liquid lines must requalify at intervals not exceeding 6 months.

#### 3.2.5. Welder Requalification

1) Requalification Time Period (Pipeline Welders)

- a) Company welders and term contractor welders - Company welders and term contractor welders that work steadily for the Company shall be requalified at periodic intervals not to exceed 6 months pipeline work.

**§ 195.234 Welds: Nondestructive testing.**

**FINDING:** EMPCo's Liquid Manual references 195.228 when it should reference the correct standard (API 1104 in this case).

**RESPONSE:** EMPCo's Liquid Manual was reviewed and approved by a team of inspectors in 2002, the manual will be eligible for review again next year in 2007. EMPCo would like to address this issue during the next O&M Manual review.

**§ 195.434 Signs.**

Each operator must maintain signs visible to the public around each pumping station and breakout tank area. Each sign must contain the name of the operator and a telephone number (including area code) where the operator can be reached at all times.

EMPCo's Liquid Manual states:

- (5) Emergency Notification
- (A) Install station emergency information signs at each meter station, regulator station, valve site, and other critical locations where considered appropriate, Company's Name and Emergency Telephone Number shall be correctly identified.

**FINDING:** Need to revise EMPCo's Liquid Manual to specifically include "pumping stations".

**RESPONSE:** EMPCo's Liquid Manual will be revised to read:

- (5) Emergency Notification
- (A) Install station emergency information signs at each meter station, regulator station, valve site, **pump station**, and other critical locations where considered appropriate, Company's Name and Emergency Telephone Number shall be correctly identified.

**§ 195.569 Do I have to examine exposed portions of buried pipelines?**

**A. Exposed Pipe**

Whenever a covered pipeline is uncovered, a Company representative at the site must thoroughly inspect the pipe. When there is evidence of significant corrosion, the person

responsible for corrosion matters must be notified. The responsible person investigates the extent of corrosion and determines if cathodic protection levels are adequate. If protection is not adequate, the technician must recommend corrective actions. Condition of the coating and the extent of external corrosion must be recorded.

FINDING: EMPCo's Liquids Manual needs to state that whenever the pipeline is exposed a PL-751 form should be filled out.

RESPONSE: EMPCo's Liquids Manual will be revised to read:

**A. Exposed Pipe**

Whenever a covered pipeline is uncovered, a Company representative at the site must thoroughly inspect the pipe and complete form PL-751. When there is evidence of significant corrosion, the person responsible for corrosion matters must be notified. The responsible person investigates the extent of corrosion and determines if cathodic protection levels are adequate. If protection is not adequate, the technician must recommend corrective actions. Condition of the coating and the extent of external corrosion must be recorded.

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

(b) *Unprotected pipe.* You must reevaluate your unprotected buried or submerged pipe and cathodically protect the pipe in areas in which active corrosion is found, as follows:

(1) Determine the areas of active corrosion by electrical survey, or where an electrical survey is impractical, by other means that include review and analysis of leak repair and inspection records, corrosion monitoring records, exposed pipe inspection records, and the pipeline environment.

(2) For the period in the first column, the second column prescribes the frequency of evaluation

Before December 29, 2003.....	At least once every 5 calendar years, but with intervals not exceeding 63 months.
Beginning December 29, 2003.....	At least once every 3 calendar years, but with intervals not exceeding 39 months.

FINDING: EMPCo's Facilities Inspection and Maintenance Management System (FIMMS) Manual does not have a procedure for unprotected pipe. Need to revise the FIMMS to include a procedure for monitoring unprotected pipe or include a statement that states EMPCo does not intentionally operate unprotected pipe.

RESPONSE: A statement has been added to EMPCo's FIMMS Manual that reads, "Regarding unprotected pipe, ExxonMobil Pipeline Company's intent is to provide cathodic protection to all regulated assets. 195.573(b)"

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

**FINDING:** Currently EMPCo's Reference Library shows the date of the last review. Need to show last two review dates, or provide another method such as "Records of Revision/Review for manuals referenced in EMPCo's Liquid Manual.

**RESPONSE:** EMPCo lists the latest review date on the "Reference Library" section of our intranet site. Dates from earlier reviews can be found in the "Record of Revision" section of each manual requiring review.

**§ 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.

**FINDING:** EMPCo will provide a Procedure Qualification Report (PQR) for welding procedure 18-87-31 (Applying End Fillet Welds on Stopples, Sleeves, and Weld + Ends Under Flow Conditions)

**RESPONSE:** PQR's included with this sending.

**§ 195.571 What criteria must I use to determine the adequacy of cathodic protection?**

Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE Standard RP0169-96 (incorporated by reference, see §195.3).

**FINDING:** EMPCo will provide a graph plotting data form the 2005 annual corrosion survey on the same graph whit data from the 2004, 2003, and 2002 surveys.

**RESPONSE:** Graph is included with this sending.