

ExxonMobil Pipeline Company

800 Bell Street, Room #603B
Houston, Texas 77002
(713) 656-0227 Telephone
(713) 656-8232 Facsimile

K. G. (Kevan) McCrae

Manager
Safety, Health And Environment Department

ExxonMobil Pipeline

April 18, 2008

SENT TO COMPLIANCE REGISTRY

Hardcopy ___ Electronically
of Copies 1 / Date 4/24/08

Mr. Chris Hoidal, P.E.
Director, Western Region
Pipeline and Hazardous Materials Safety Administration
12300 West Dalota Avenue, Suite 110
Lakewood, Colorado 80228-2585

Re: Notice of Amendment
PHMSA - File Number CPF 5-2007-5005M

Dear Mr. Hoidal:

A representative of the Western Region, Pipeline and Hazardous Materials Safety Administration (PHMSA) conducted a pipeline safety inspection of ExxonMobil Pipeline Company's (EMPCo) Silvertip to Billings, Montana pipeline system between June 20, 2006 and June 22, 2006.

On February 27, 2007 EMPCo received a Notice of Amendment (Notice) for alleged inadequate written procedures noted during the inspection. A response to the Notice was provided on March 22, 2007, that response was issued within 30 days of receipt of the Notice and was therefore timely.

EMPCo would like to provide additional information in order to close the five allegations contained in the Notice.

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 has corrected the EMPCo Pipeline Welding Manual 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 has amended its DOT Liquids Manual to read:

195.234. Welds: Nondestructive Testing

PROCEDURE:

(c) Weld inspection procedures for compliance with 195.228 should be consistent with API 1104, Section 9. **For additional information, refer to ExxonMobil Pipeline Repair and Modification Manual-Section 6, and Welding Manual.**

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'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 has amended its DOT Liquids Manual 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.

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:

Changes to EMPCo's Cathodic Protection program included in EMPCo's Facilities Inspection and Maintenance Management System (FIMMS) will include a statement that will apply the procedures listed in the program to be applicable to both bare and coated pipe.

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. Please confirm whether the responses provided above satisfactorily addresses the referenced Notice of Amendment. If you have additional questions, please contact Thad Massengale at (713)-656-2258. Thank you.

Sincerely,

