



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

SENT TO COMPLIANCE REGISTRY

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12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

**NOTICE OF PROBABLE VIOLATION
AND
PROPOSED CIVIL PENALTY**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 3, 2007

Mr. Brent Backes
General Counsel and Vice President
DCP Midstream
370 17th St., Suite 2500
Denver, CO 80202

CPF No. 5-2007-5029

Dear Mr. Backes:

On August 8-11, 2005, representatives of the Pipeline and Hazardous Materials Safety Administration, pursuant to Chapter 601 of Title 49 United States Code, inspected your pipeline facilities and records at your field office in Cheyenne Wells, Colorado.

As a result of the inspection, it appears that DCP Midstream has committed a probable violation, as noted below, of the pipeline safety regulations, Title 49, Code of Federal Regulations (CFR), Part 195. The item inspected and the probable violation is:

- 1) **§195.412 Inspection of rights-of-way and crossings under navigable waters.**
 - (a) **Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.**

At the time of the inspection (8/8/2005), DCP Midstream line patrol records indicated that the 3-week interval for inspection of rights-of-way was exceeded three (3) times in 2003, twelve (12) times in 2004 and four (4) times in 2005. The records also indicated the line was flown a total of 24 times in 2003 and 12 times in 2004, not meeting the minimum of 26 times per calendar year.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$23,800.


<u>Item Number</u>	<u>PENALTY</u>
1	\$23,800

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. 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). 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 5-2007-5029** 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

cc: PHP-60 Compliance Registry
PHP-500 R. Reineke (#114383)

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*