



U.S. Department
of Transportation
**Pipeline and
Hazardous Materials Safety
Administration**

12300 W Dakota Ave, Suite 110
Lakewood, CO 80228

SENT TO COMMISSIONER
HARDWARE DEPARTMENT
of Commerce 12-15-08

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 15, 2008

Mr Gene Cotton
Vice President Refining/Plant Manager
Big West of California, LLC
6451 Rosedale Highway
Bakersfield, CA 93308

CPF 5-2008-0026W

Dear Mr. Cotton

On April 1 and July 22-23, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Big West of California, LLC's (Big West) Integrity Management Program (IMP) procedures and records. Our inspection was conducted at your offices in Bakersfield, California.

As a result of the inspection, it appears 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. **§192.917 How does an operator identify potential threats to pipeline integrity and use the threat identification in its integrity program?**
 - (e) **Actions to address particular threats. If an operator identifies any of the following threats, the operator must take the following actions to address the threat.**
 - (5) **Corrosion. If an operator identifies corrosion on a covered pipeline segment that could adversely affect the integrity of the line (conditions specified in §192.933), the operator must evaluate and remediate, as necessary, all pipeline**

segments (both covered and non- covered) with similar material coating and environmental characteristics. An operator must establish a schedule for evaluating and remediating, as necessary, the similar segments that is consistent with the operator's established operating and maintenance procedures under part 192 for testing and repair.

Big West identified external and internal corrosion threats but had not developed a written program to address these threats. Big West's eight-inch diameter pipeline has previously been in liquid service. The gas it currently transports contains hydrogen sulfide. These commodities are potentially corrosive.

Regarding external corrosion, Big West is planning to make eleven (11) excavations at immediate indications based on Mears' ECDA supplemental assessment. Also, Big West plans to use UT guided wave on the pipe adjacent to these excavations to evaluate internal corrosion at those locations. Big West will then conduct further analyses to determine how best to evaluate the risks from the internal corrosion threat. Baker Hughes has been contacted to perform internal corrosion calculations and modeling to determine the locations most likely for internal corrosion. Regardless of these planned activities, the operator had not established a written program to comply with 192.917 (e)(5).

Evidence: The line has previously been in liquid service transporting potentially corrosion causing products. It has not as yet determined the presence of any internal corrosion.

2. §192.947 What records must an operator keep?

(e) Documents that demonstrate personnel have the required training, including a description of the training program, in accordance with § 192.915;

Big West does not have a documented training program for individuals with responsibilities for Big West's IMP program. Big West has identified this as an action item during 2008.

Evidence: No documented program existed for training company personnel with responsibilities for implementing its IMP program. Big West has identified this as an action item during 2008.

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 violation persists up to a maximum of \$1,000,000 for any related series of violations. 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 correct the items identified in this letter. Failure to do so will result in Big West of California, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2008-0026W**. 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).

Sincerely,

A handwritten signature in black ink, appearing to read "C. Hoidal", written over a light blue horizontal line.

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

cc PHP-60 Compliance Registry
PHP-500 J Gilliam (#121269)