



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 29, 2008

Mr. Jim Rose
Director
Exxon Mobil Pipeline Company
12851 166th Street
Cerritos, CA 90703-2103

CPF 5-2008-5011W

Dear Mr. Rose:

Between August 20-23, 2007 a representative of the Washington Utilities and Transportation Commission (WUTC) inspected your Spokane Terminal in Spokane, Washington, pursuant to Chapter 601 of 49 United States Code. The WUTC is an authorized Interstate Agent and representative for the Pipeline and Hazardous Materials Safety Administration (PHMSA).

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. **§195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?**
 - (a) **You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.**
 - (b) **Coating material must be suitable for the prevention of atmospheric corrosion.**
 - (c) **Except portions of pipelines in offshore splash zones or soil-to-air interfaces, you need not protect against atmospheric corrosion any pipeline for which you**

demonstrate by test, investigation, or experience appropriate to the environment of the pipeline that corrosion will-

- (1) Only be a light surface oxide; or**
- (2) Not affect the safe operation of the pipeline before the next scheduled inspection.**

Atmospheric Corrosion Monitoring records were not found for two manifold areas. One area was the transfer manifold located next to the storage tanks. The second manifold is located adjacent to the Yellowstone Pipeline Facility. This manifold is owned by Exxon Mobile but maintained by Yellowstone Pipeline. Neither Yellowstone nor Exxon produced atmospheric corrosion monitoring records for this manifold equipment. It was noted that atmospheric monitoring records were available for the storage tank areas.

2. §195.565 How do I install cathodic protection on breakout tanks?

After October 2, 2000, when you install cathodic protection under Sec. 195.563(a) to protect the bottom of an aboveground breakout tank of more than 500 barrels (79.5m³) capacity built to API Specification 12F, API Standard 620, or API Standard 650 (or its predecessor Standard 12C), you must install the system in accordance with API Recommended Practice 651. However, installation of the system need not comply with API Recommended Practice 651 on any tank for which you note in the corrosion control procedures established under Sec. 195.402(c)(3) why compliance with all or certain provisions of API Recommended Practice 651 is not necessary for the safety of the tank.

Voltage drop needs to be considered when interpreting corrosion data. Pipe to soil readings were collected during the inspection. "On" potentials for tanks 502 and 508 were -1.087 V(on) and -1.185 (on) respectively. "Off" readings were -0.618 V (off) and -0.626 V (off) respectively. Annual Corrosion Monitoring data consisted of "on" readings only. IR drop was not properly considered in interpreting Corrosion Data.

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 item(s) identified in this letter. Failure to do so will result in Exxon Mobil Pipeline Company 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 5-2008-5011W**. 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 "Chris Hoidal". The signature is fluid and cursive, with the first name "Chris" written in a larger, more prominent script than the last name "Hoidal".

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

cc: PHP-60 Compliance Registry
PHP-500 T. Finch (Activity ID: 118855)
WUTC – Mr. Dave Lykken