

FEB 26 2010

Mr. David L. Kyle
Chairman
ONEOK, Inc.
100 West 5th Street
Tulsa, OK 74103

Re: CPF No. 5-2009-5025

Dear Mr. Kyle:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that Bear Paw Energy, LLC, has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, OPS

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7009 1410 0000 2472 9963]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)

Bear Paw Energy, LLC,)
a subsidiary of ONEOK, Inc.,)

Respondent.)

CPF No. 5-2009-5025

FINAL ORDER

On July 28 and July 31, 2008, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Bear Paw Energy, LLC (Bear Paw or Respondent),¹ at its Grass Lands Complex in North Dakota. That included an inspection of the 11.2-mile-long Riverview Pipeline, which transports highly volatile liquids from the Grass Lands Complex to a storage tank in Sydney, Montana.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Bear Paw, by letter dated June 24, 2009, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 195.404 and proposed ordering it to take certain measures to correct the alleged violation.

Bear Paw responded to the Notice by letters dated July 23 and September, 23, 2009 (collectively, Response). Respondent did not contest the allegations of violation, but provided information on the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, Bear Paw did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

¹ PHMSA's records indicate that Bear Paw became a wholly-owned subsidiary of ONEOK, Inc., in June 2006.

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.404(b)(1), which states:

§ 195.404 Maps and records.

(a)

(b) Each operator shall maintain for at least 3 years daily operating records that indicate-

(1) The discharge pressure at each pump station....

The Notice alleged that Bear Paw violated § 195.404(b)(1) by failing to retain daily operating records of the pressure discharge at each pump station at the Grass Lands Complex for the required 3-year-minimum period. Indeed, the OPS inspection revealed that Respondent only retained such records for 30 days, and that the discharge pressure information on those records was often illegible. As Bear Paw has not contested these allegations, I find that Respondent violated 49 C.F.R. § 195.404(b)(1) by failing to retain daily operating records indicating the discharge pressure at each pump station at the Grass Lands Complex for the required 3-year-minimum period.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director has indicated that Respondent has taken the following actions specified in the proposed compliance order:

In its Response, Bear Paw submitted a letter and documentation stating that new pressure recording equipment was installed at its Grass Lands Complex, where hazardous liquids are discharged into the Riverview Pipeline. Specifically, Bear Paw installed an electronic pressure transmitter which is programmed to record the discharge pressure every five seconds. This data is used to calculate a 6-minute average of the discharge pressure, and the resulting averages are stored to a server and hard drive. Using the new equipment, Bear Paw submitted a sample graph clearly indicating the discharge pressure of the pipeline at even intervals over the course of a day.

Accordingly, I find that these actions comply with the requirements of the Proposed Compliance Order and therefore are not included in this Order.

The terms and conditions of this Final Order are effective upon receipt.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued