

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 24, 2009

Mr. Craig Forsander
Vice President
ONEOK/Bear Paw Energy, LLC
100 West 5th Street
Tulsa, OK 74103

CPF 5-2009-5025

Dear Mr. Forsander:

On July 28 through 31, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Riverview Pipeline in Sidney, Montana. Our representative inspected your Operational and Maintenance manual, implementing records, and the field condition of the Riverview Pipeline System.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. §195.404 Maps and records.

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

(1) The discharge pressure at each pump station

Per §195.404(b)(1), the Operator must maintain their daily operating records of discharge pressure at each pump station for at least three (3) years. Bear Paw Energy's

electronic SCADA records of their discharge pressure at the Grasslands Complex are currently retained for only 30 days. In addition, the pressure recording charts at the Grasslands Complex for the Riverview Pipeline often produce records that are not legible. Therefore, Bear Paw Energy failed to comply with the records retention of their discharge pressure at each pump station as required by §195.404(b)(1).

Proposed Compliance Order

With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Bear Paw Energy/ONEOK. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 5-2009-5025** 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 G. Davis/M. Petronis (#120772)

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Bear Paw Energy/ONEOK a Compliance Order incorporating the following remedial requirements to ensure the compliance of Bear Paw Energy/ONEOK with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to Bear Paw Energy's pressure recording charts at the Grasslands Complex which record the discharge pressure into the Riverview Pipeline that are very difficult and often impossible to interpret.

Bear Paw Energy must either modify the existing chart recorder or install a new pressure recording device at the Grasslands Complex that clearly records the discharge pressure from the station into the Riverview Pipeline. The pressure records must be retained for a minimum of three (3) years.

2. Bear Paw Energy/ONEOK must complete the item described above within **60** days of receipt of the Final Order.
3. Bear Paw Energy/ONEOK shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.