



BEAR PAW ENERGY, LLC
A SUBSIDIARY OF ONEOK PARTNERS, L.P.

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Hardcopy Electronically
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July 23, 2009

VIA FEDERAL EXPRESS

Mr. Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: CPF 5-2009-5025

Dear Mr. Hoidal:

Bear Paw Energy, LLC ("BPE") received Notice of Probable Violation ("Notice") and Proposed Compliance Order no. CPF 5-2009-5025 in its Tulsa offices on June 29, 2009. The Notice cites a failure to adequately satisfy the requirements of §195.404 "Maps and records" for BPE's Riverview Pipeline, which was inspected from July 28 through July 31, 2008, by a representative of the Pipeline and Hazardous Material Safety Administration ("PHMSA") pursuant to Chapter 601 of 49 United States Code of Federal Regulations.

Specifically, the Notice indicates that the Grasslands Complex pressure-recording devices for the Riverview Pipeline often produce records that are illegible and that BPE therefore failed to comply with the requirement prescribed in §195.404(b)(1) to retain discharge-pressure records at each pump station.

BPE takes this compliance matter seriously and appreciates the opportunity to work with the PHMSA to resolve the matter without civil penalty.

We have reviewed the Proposed Compliance Order and believe that the problem of intermittent illegibility of the referenced charts had been corrected as of June 19, 2009. Additionally, we believe that at no time prior to this correction being made did the Riverview Pipeline pose a risk to public safety. The pipeline pumps which provide the product flow on this pipeline were designed in such a way as to render them incapable of creating pressure levels that could meet or exceed the MOP of 1440 psig established on this pipeline.

On June 19, 2009, Mr. Petronis was sent an e-mail which provided the following information: BPE has installed on the pipeline at the Grasslands Plant an electronic pressure transmitter which has been hardwired into the Grasslands Plant Distributive Control System ("DCS"), enabling operations personnel to view the real-time operating pressures continuously. In addition, the DCS serves as the repository in which the pressure data is archived. The data will reside not only on the hard drive of the DCS, but also on the Plant data server, where a paper graph illustrating the 30-day pressure trend of the pipeline will be created each month. A sample copy of the graph (for the period June 18 through June 19, 2009) is attached hereto. BPE has also set up within the DCS the following pressure alarm parameters, which will alert operations personnel of any abnormal change in pressure: The Low Low alarm is set at 0 psig, the Low alarm is set at 50 psig, the High alarm is set at 580 psig, and the High High alarm is set at 1440 psig.

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In the event BPE were to lose the capabilities of the pressure transmitter or the ability to transmit data to the DCS, BPE personnel would follow the "Abnormal Operations Procedure" outlined on page 4-10 of Section 4.0 ("Abnormal Operations") in BPE's DOT 195 Operations and Maintenance Manual, which stipulates as follows:

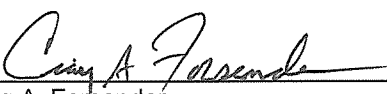
- Immediate notification of the facility supervisor and appropriate maintenance personnel dispatched to correct the problem.
 - Our mechanical integrity program has this pressure transmitter listed as a critical equipment item, and a spare is maintained in inventory at the facility.
- Establishment of temporary communications to facilitate the continued safe operation of the system during the time taken to correct the problem.
 - Operations personnel will manually monitor every 30 minutes and record the pipeline pressure for as long as the temporary abnormal condition exists.

Item #3 of the Proposed Compliance Order requests submission of costs associated with fulfilling the requirements of the Compliance Order. Incorporation of pipeline pressure data monitoring and recording capabilities in the DCS system had been included in the scope of work of another project that had already been approved prior to the PHMSA's July, 2008 inspection of the Riverview Pipeline; consequently, fulfilling the requirements of the Proposed Compliance Order did not result in new, unidentified costs. Less than \$5,000 of the DCS project cost was attributable to incorporation of pipeline pressure data monitoring and recording capabilities in the DCS system. Please advise if you require a more detailed accounting of these costs.

Please contact me at (918) 588-7414 if you would like to discuss this matter further.

Sincerely,

BEAR PAW ENERGY, LLC

By: 
Craig A. Forsander
Vice President
Natural Gas Gathering & Processing Operations

CAF:jr

Riverview Pipeline Pressures

