

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 10, 2009

Mr. John Traeger
Manager of Pipelines and Terminals
Front Range Pipeline, LLC
803 Highway 212 South
Laurel, MT 59044

CPF 5-2009-5039

Dear Mr. Traeger:

On June 15-18, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Front Range Pipeline from the Montana/Canada Border north of Cut Bank, Montana to the Laurel Terminal in Laurel, Montana.

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. §195.116 Valves

**Each valve installed in a pipeline system must comply with the following:
(e) Each valve other than a check valve must be equipped with a means for clearly indicating the position of the valve (open, closed, etc.).**

During the field inspection of the Raynesford Pump Station, it was noted that the Valves #FR59 and #FR63 did not clearly indicate the valve position. Front Range Pipeline did not comply with Part § 195.116(e) because each valve that is installed in a pipeline system must be equipped with a means for clearly indicating the position of the valve.

2. §195.126 Flange Connections

Each component of a flange connection must be compatible with each other component and the connection as a unit must be suitable for the service in which it is to be used.

During the field inspection of the Conrad Pump Station, it was noted that many of the studs on the flanged connections of Valve #FR45A (MOV) and Valve #FR45D are not of sufficient length to allow the nuts to be fully threaded. As a result, the full strength of the ANSI 600 flanged connections can not be ensured.

3. §195.573 What must I do to monitor external corrosion control?

(a) Protected pipelines. You must do the following to determine whether cathodic protection required by this subpart complies with §195.571:

(2) Identify not more than 2 years after cathodic protection is installed , the circumstances in which a close interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE Standard RP 0169 (incorporated by reference, see §195.3).

Per §195.573(a), the operator must determine whether a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE Standard RP 0169. A close interval survey has not been performed on the Front Range Pipeline nor has an analysis been performed per paragraph 10.1.1.3 of NACE Standard 0169 to justify why a close interval survey is not necessary.

Proposed Compliance Order

With respect to items 1, 2 and 3, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Front Range Pipeline, LLC. Please refer to the *Proposed Compliance Order* that 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 5-2009-5039** 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 M. Petronis (#123894)

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 Front Range Pipeline, LLC a Compliance Order incorporating the following remedial requirements to ensure the compliance of Front Range Pipeline, LLC with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to Valves #FR59 and FR63 at the Raynesford Pump Station, Front Range Pipeline must install a means for clearly indicating the position, i.e. open or closed, of each of these valves.
2. In regard to Item Number 2 of the Notice pertaining to the flanged connections of Valve #FR45A (MOV) and Valve #FR45D at the Conrad Pump Station, Front Range Pipeline must install studs of a sufficient length in each of the flanged connections to ensure that the full strength of the ANSI 600 flanges is obtained.
3. In regard to Item Number 3 of the Notice pertaining to the cathodic protection program, Front Range Pipeline must conduct a close interval survey along the entire length of the pipeline, or perform and document an analysis determining why a close interval survey is not necessary along the entire length of the pipeline or certain segments of the pipeline.
4. Front Range Pipeline LLC shall maintain documentation of the safety improvement costs associated with fulfilling this compliance Order and submit the total to Christopher 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.