

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 4, 2010

Mr. John Swearingen
President
Marathon Pipe Line LLC
539 S. Main Street
Findlay, OH 45840

CPF 5-2010-0001W

Dear Mr. Swearingen:

Between August 17 and 20, 2009, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Marathon Pipe Line LLC's (Marathon) records and facilities in Kenai, Alaska.

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. §192.103 General.

Pipe must be designed with sufficient wall thickness, or must be installed with adequate protection, to withstand anticipated external pressures and loads that will be imposed on the pipe after installation.

§192.703 General.

(b) Each segment of pipeline that becomes unsafe must be replaced, repaired, or removed from service.

Marathon failed to protect its two 10-inch diameter pipelines from subsea scour and washouts at the shoreline on the West side of the Cook Inlet. The two 10-inch CIGGS marine pipelines are exposed at the shoreline and seabed scouring, washouts, rocks, sand and other debris has destroyed the concrete outer coating and the inner HDPE coating. The pipeline has been scoured to bare metal and the metal is pitted.

2. §192.179 Transmission line valves.

(b) Each sectionalizing block valve on a transmission line, other than offshore segments, must comply with the following:

(1) The valve and the operating device to open or close the valve must be readily accessible and protected from tampering and damage.

Marathon failed to protect its mainline valve at the Aurora facility on the West side of Cook Inlet from tampering and damage. The mainline lateral valve on the CIGGS at the Aurora facility was neither locked or fenced or otherwise protected from tampering or damage.

3. §192.241 Inspection and test of welds

(c) The acceptability of a weld that is nondestructively tested or visually inspected is determined according to the standards in Section 9 of API Standard 1104 (incorporated by reference, see §192.7). However, if a girth weld is unacceptable under those standards for a reason other than a crack, and if Appendix A to API 1104 applies to the weld, the acceptability of the weld may be further determined under that appendix.

The acceptability of nondestructively tested welds associated with the “Marathon COP Interconnect Piping Project” were determined according to ASME B31.3 and not determined according to Section 9 of API Standard 1104. Marathon provided a weld map and various nondestructive testing reports for welds which indicate that the nondestructive testing results were evaluated to ASME B31.3 standards.

4. §192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and Pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—

(4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

PHMSA personnel observed that the relief valve discharge piping configuration, associated

with several relief valves, would not prevent the accumulation of water, ice, or snow that might prevent proper operation of the relief device. Flapper style rain caps were not in the closed position or there were no rain caps at all.

5. §192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and Pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is–

(1) In good mechanical condition;

(2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;

(3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and

Marathon failed to inspect and test its pressure relief device (PSV) at the Starisky production pad on the KKPL pipeline at intervals not exceeding 15 months, but at least once each calendar year. Although, Marathon confirmed that this valve protects the pipeline that runs from the Starisky production pad to the KKPL pipeline from overpressure. Marathon could not provide records to demonstrate that this pressure relief device has ever been maintained, according to §192.703. In addition, Marathon did not have this PSV listed in their O&M manual, nor is the PSV valve identified on their P&ID schematic.

6. §192.743 Pressure limiting and regulating stations: Capacity of relief devices

(a) Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in §192.739(b), the capacity must be consistent with the pressure limits of §192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations.

The operator failed to provide evidence that the capacity of the relief devices had been determined at intervals not exceeding 15 months, but at least once each calendar year.

7. §192.745 Valve maintenance: Transmission lines.

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

Marathon failed to inspect and test its mainline valve at the Starisky production pad at intervals not exceeding 15 months, but at least once each calendar year. Although, Marathon confirmed that this valve is the mainline isolation valve for the pipeline that runs from the Starisky production pad to the KKPL pipeline, Marathon could not provide records to demonstrate that this mainline valve has ever been maintained, according to §192.745. In

addition, Marathon did not have this mainline isolation valve listed in their O&M manual, nor is the mainline valve identified on their P&ID schematic.

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 Marathon Pipe Line LLC 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 5-2010-0001W** and send all responses to my attention at 222 W. 7th Ave. #200, PO Box 37, Anchorage, Alaska 99513. 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,

Dennis Hinnah
Deputy Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Strawn (#123982)