

NOV 2 2011

Mr. Gary W. Pruessing
President
ExxonMobil Pipeline Company
800 Bell Street, Room 741D
Houston, TX 77002

Re: CPF No. 5-2011-5003

Dear Mr. Pruessing:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that ExxonMobil Pipeline Company 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 effective upon the date of mailing as 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. Alan Mayberry, Deputy Associate Administrator for Field Operations, Pipeline Safety
Mr. Chris Hoidal, Director, Western Region, PHMSA
Mr. Gary Hartmann, Manager, Safety, Health and Environment Department, EMPCo
ExxonMobil Pipeline Co., 800 Bell St., Room #6038, Houston, Texas 77002

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [71791000164202823906]

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

In the Matter of)
)
ExxonMobil Pipeline Company,) **CPF No. 5-2011-5003**
)
Respondent.)

FINAL ORDER

On July 27-30, 2009, 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 safety inspection of the pipeline facilities operated by ExxonMobil Pipeline Company (EMPCo or Respondent) in Montana. EMPCo, a subsidiary of Exxon Mobil Corporation, operates approximately 5,500 miles of pipeline transporting hazardous liquids, including crude oil, natural gas liquids, and refined petroleum products.¹

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated February 23, 2011, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that EMPCo had committed certain violations of 49 C.F.R. Part 195 and proposed that Respondent take certain measures to correct the alleged violations.

EMPCo responded to the Notice by letter dated March 24, 2011 (Response). In its Response, the company provided information concerning the corrective actions it had taken to remediate the alleged violations. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

The Notice alleged that Respondent committed the following violations of 49 C.F.R. Part 195:

Item 1: The Notice alleged that Respondent violated § 195.410(a)(1), which states:

¹ This information is reported by EMPCo in accordance with 49 C.F.R. § 195.49. On its website, the company states that it transports hazardous liquids through 8,000 miles of operated pipeline. <http://www.exxonmobilpipeline.com/USA-English/EMPCo/ourcompany.aspx> (visited Oct. 20, 2011).

§ 195.410 Line markers.

(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:

(1) Markers must be located at each public road crossing, at each railroad crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.

The Notice alleged that Respondent violated § 195.410(a)(1) by failing to place line markers in sufficient number along its buried pipeline so that the location is accurately known where the line passes through a housing development near Laurel, Montana.

Respondent did not contest the allegation of violation and explained that the company has remarked the pipeline and installed additional line markers in the identified area. Based upon a review of the evidence, I find that Respondent violated § 195.410(a)(1) as alleged.

Item 2: The Notice alleged that Respondent violated § 195.410(a)(2), which states:

§ 195.410 Line markers.

(a) . . .

(2) The marker must state at least the following on a background of sharply contrasting color . . .

(ii) The name of the operator and a telephone number (including area code) where the operator can be reached at all times.

The Notice alleged that Respondent violated § 195.410(a)(2) by failing to include on several pipeline markers the operator's current contact information, including current telephone number where the operator can be reached at all times. The line markers were located in the housing development near Laurel, Montana.

Respondent explained that the markers in question were replaced following the PHMSA inspection and the new markers have the operator's current contact information. Respondent also explained that the old telephone number on the markers that were replaced was still an active number. Based upon a review of the evidence, I find the markers in question did not display the operator's current contact information and therefore Respondent violated § 195.410(a)(2) as alleged.

Item 3: The Notice alleged that Respondent violated § 195.254(b), which states:

§ 195.254 Above ground components.

(a) Any component may be installed above ground in the following situations, if the other applicable requirements of this part are complied with:

- (1) Overhead crossings of highways, railroads, or a body of water.
- (2) Spans over ditches and gullies.
- (3) Scraper traps or block valves.
- (4) Areas under the direct control of the operator.

(5) In any area inaccessible to the public.

(b) Each component covered by this section must be protected from the forces exerted by the anticipated loads.

The Notice alleged that Respondent violated § 195.254(b) by failing to protect an aboveground span over a ditch from the forces exerted by the anticipated loads. The pipeline at station 2211+16 was partially submerged in flowing water and had debris piled against the pipe. In addition, a stump and tree roots appeared to be exerting forces on the pipeline.

Respondent did not contest the allegation of violation and provided a statement that the company has removed the vegetation and debris on the right-of-way, scheduled removal of the tree root, and is evaluating control measures to keep future debris from accumulating over the pipeline. Based upon a review of the evidence, I find that Respondent violated § 195.254(b) as alleged.

Item 4: The Notice alleged that Respondent violated § 195.412(a), which states:

§ 195.412 Inspection of rights-of-way and crossings under navigable waters.

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

The Notice alleged that Respondent violated § 195.412(a) by failing to inspect the surface conditions on or adjacent to each pipeline right-of-way. Pipeline spans at certain stations and other areas of the right-of-way through the housing development were covered by vegetation or were otherwise obstructed from view by aerial patrols. EMPCo personnel indicated they did not perform walking inspections of the pipeline at these locations.

Respondent did not contest the allegation of violation and provided a statement that the company has removed the vegetation and debris for aerial patrols at the span stations and has modified its inspection practices for the area in the housing development so that it will be inspected by foot patrol. Based upon a review of the evidence, I find that Respondent violated § 195.412(a) as alleged.

Item 5: The Notice alleged that Respondent violated § 195.581(a):

§ 195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?

(a) You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

The Notice alleged that Respondent violated § 195.581(a) by failing to clean and coat a portion of pipeline exposed to the atmosphere located at a span over a canal east of Laurel, Montana.

Respondent did not contest the allegation of violation and provided a statement that the company has cleaned, primed, and painted the identified span crossing. Based upon a review of the evidence, I find that Respondent violated § 195.581(a) as alleged.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to the violations cited above. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids by pipeline 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 a representative of PHMSA, OPS, conducted a follow-up field inspection on May 10, 2011, to verify that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 195.410(a)(1) (Item 1), Respondent has adequately marked the pipeline.
2. With respect to the violation of § 195.410(a)(2) (Item 2), Respondent has included current contact information on the pipeline markers.
3. With respect to the violation of § 195.254(b) (Item 3), Respondent has taken measures to ensure that excessive forces are not exerted on the pipeline.
4. With respect to the violation of § 195.412(a) (Item 4), Respondent has taken measures to ensure adequate patrols of the pipeline right-of-way.
5. With respect to the violation of § 195.581(a) (Item 5), Respondent has cleaned and coated the pipeline span.

Accordingly, I find that compliance has been achieved with respect to these violations. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued