

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

February 23, 2011

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

**CPF 5-2011-5003**

Dear Mr. Pruessing:

On July 27 to July 30, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected ExxonMobil's Silvertip Pipeline from the Silvertip Basin in Southern Montana to the ExxonMobil Refinery in Billings, 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. § 195.410 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.**

An operator must place and maintain line markers over each buried pipeline 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. In the housing development located about 5 miles

south of Laurel, Montana along Vista Lane, the right-of-way is not adequately marked to identify the location of the pipeline as it passes through the yards of many of the houses in the development. As a result, ExxonMobil Pipeline has not met federal pipeline safety requirements because they have not placed and maintained pipeline markers in sufficient number so that the location of the Silvertip Pipeline is accurately known.

## **2. § 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:**

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

**(i) The word “Warning,” “Caution,” or “Danger” followed by the words “Petroleum (or the name of the hazardous liquid transported) Pipeline”, or “Carbon Dioxide Pipeline,” all of which, except for markers in heavily developed urban areas, must be in letters at least 1 inch (25 millimeters) high with an approximate stroke of 1/4 inch (6.4 millimeters).**

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

Each pipeline operator must include on each pipeline marker the name of the operator and a telephone number (including area code) where the operator can be reached at all times. In the housing development located about 5 miles south of Laurel, Montana along Vista Lane at least two pipeline markers do not contain a current operator telephone number. As a result, ExxonMobil Pipeline has not met federal pipeline safety requirements because they have not included on each marker for the Silvertip Pipeline a telephone number where an ExxonMobil representative can be reached at all times.

## **3. § 195.254 Above ground components.**

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

An operator must ensure that each aboveground component of the pipeline is protected from the forces exerted by the anticipated loads. The span over a ditch at pipeline station 2211+26 is partially submerged in flowing water and has a significant amount of debris piled against the pipe. In addition, a stump and tree roots appear to be exerting forces on the pipeline. As a result, ExxonMobil Pipeline has not met federal pipeline safety requirements because they have not ensured that the aboveground span of the Silvertip Pipeline at station 2211+26 is protected from the forces exerted by anticipated loads.

**4. § 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.**

An operator must 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. ExxonMobil indicated that they meet this requirement by performing periodic aerial patrols of the pipeline right-of-way. However, pipeline spans at stations 2745+87, 2211+26 and 2194+33 are covered by excessive vegetation and are not visible by aerial patrols. In addition, much of the pipeline right-of-way through the housing development along Vista Lane south of Laurel is covered by vegetation and is not visible by aerial patrols. Also, the pipeline passes under a garage, a shed, house eaves, and under material stored in the backyards or along the walls of houses in the development and is not visible by aerial patrols. ExxonMobil personnel indicated that they do not perform walking inspections of the pipeline at these locations. As a result, ExxonMobil Pipeline has not met federal pipeline safety requirements because they are not able to inspect the surface conditions of the Silvertip Pipeline in the locations that are obstructed from view during aerial patrols.

**5. § 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.**

**(b) Coating material must be suitable for the prevention of atmospheric corrosion.**

**(c) Except portions of pipelines in offshore splash zones or soil-to-air interfaces, you need not protect against atmospheric corrosion any pipeline for which you demonstrate by test, investigation, or experience appropriate to the environment of the pipeline that corrosion will—**

**(1) Only be a light surface oxide; or**

**(2) Not affect the safe operation of the pipeline before the next scheduled inspection.**

Each pipeline operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere. East of Laurel, Montana, a portion of the span over a canal is not coated to protect the pipe from atmospheric corrosion. As a result, ExxonMobil Pipeline has not met federal pipeline safety requirements because they have not cleaned and coated each portion of the Silvertip Pipeline that is exposed to the atmosphere.

Proposed Compliance Order

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to ExxonMobil Pipeline Company. 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 5-2010-5003** 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 (Activity #123899)

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 ExxonMobil Pipeline Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of ExxonMobil Pipeline Company with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to insufficient line markers, ExxonMobil Pipeline Company must install a sufficient number of pipeline markers in the housing development along Vista Lane to ensure that the location of the pipeline is accurately known.
2. In regard to Item Number 2 of the Notice pertaining to line markers with incorrect operator contact information, ExxonMobil Pipeline Company must replace or modify all pipeline markers that do not contain accurate pipeline operator contact information with pipeline markers that do contain accurate pipeline operator contact information.
3. In regard to Item Number 3 of the Notice pertaining to the span over a ditch at pipeline station 2211+26, ExxonMobil Pipeline Company must modify the pipeline span to ensure that excessive forces are not exerted on the pipeline.
4. In regard to Item Number 4 of the Notice pertaining to portions of the pipeline right of way being covered by excessive vegetation or residential obstructions, ExxonMobil Pipeline Company must remove the vegetation or obstructions that prevent the pipeline right of way from being seen by aerial patrols. Alternatively, implement a program to perform patrols of the pipeline by appropriate methods in areas that are covered by excessive vegetation or residential obstructions.
5. In regard to Item Number 5 of the Notice pertaining to a portion of the span over a canal east of Laurel not being coated to protect the pipe from atmospheric corrosion, ExxonMobil Pipeline Company must coat the exposed portion of the pipeline with a coating suitable to prevent atmospheric corrosion.
6. ExxonMobil Pipeline Company 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.