

ExxonMobil Pipeline Company

800 Bell Street, Room #603B
Houston, Texas 77002
(713) 656-0227 Telephone
(713) 656-8232 Facsimile

G.W. (Gary) Hartmann

Safety, Health And Environment Department
Manager



March 24, 2011

Mr. Chris Hoidal, P.E.
Director, Western Region
Pipeline and Hazardous Material Safety Administration
12300 W. Dakota Avenue, Suite 110
Lakewood, CO 80228

Re: CPF-5-2011-5003

Dear Mr.Hoidal,

This is a response to items indentified in the letter dated February 23, 2011 in reference to the July 27 to July 30, 2009 PHMSA Inspection of the ExxonMobil Pipeline Company, Silvertip Pipeline from Silvertip Basin in Southern Montana to the ExxonMobil Refinery in Billings, Montana. We have addressed each identified probable violation within our responses.

Probable violations

1.195.410

(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 indentify 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.

Response:

ExxonMobil Pipeline Company (EMPCo) remarked the pipeline along Vista Lane and installed additional pipeline markers. This work was completed on August 21, 2009 immediately after the July 2009 audit.

2. 195.410

(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," "Danger" followed by the words "Petroleum (or the name of the hazardous liquid transported) Pipeline" or "Carbon Dioxide Pipeline," all of which, except of markers in heavily developed urban areas, must be in letters at least 1 inch (25 millimeters) high on an approximate stroke of ¼ inch (6.4 millimeters).

(ii) The name of the operators 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 operators 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's 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.

Response:

New pipeline markers have been installed on the Vista Lane section. The installation was completed on August 21, 2009. The markers in question, that were subsequently replaced, had a different ExxonMobil phone number. That phone number (713-656-1234) was, and still is, an active number for reaching an ExxonMobil Pipeline Operations Control Center representative in Houston, Texas.

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 against 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.

Response:

The vegetation and debris on the right-of-way at 2211+26 (Goldie Lane) was removed on August 21, 2009. The patrol pilot can adequately inspect the surface condition with the removal of the vegetation. EMPCo has followed a permitting process for work inside the creek area and scheduled our work so there is no impact during periods of irrigation. The appropriate landowner notifications and permits have been received, and the removal of the tree root is scheduled for the week of March 21, 2011. Additionally, we are evaluating control measures to keep future debris from accumulating over the pipeline.

4. 195.412 Inspection of rights-of-ways and crossing 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 inspections 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 inspections 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 wall 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 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 aerials patrols.

Response:

The vegetation at span station 2745+87, 2211+26, and 2194+33 has been removed. This work was completed during the week of October 17, 2009. EMPCo has followed a permitting process for work inside these areas and scheduled our work so there is no impact to the creek during periods of irrigation. All vegetation and debris have been removed, and the surface area can now be inspected by aerial patrol at these locations. EMPCo has modified our inspection practices so that the Vista Lane area, south of Laurel through the housing development, is being inspected by foot patrol.

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 pipeline under paragraph (c) of this section.

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

(c) Except portions of pipeline 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 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 has not met federal pipeline safety requirement because they have not cleaned and coated each portion of the Silvertip Pipeline that is exposed to the atmosphere.

Response: The span crossing East of Laurel at 56th Street was cleaned, primed and painted on August 21, 2009.

Finally, as requested, please find attached a summary of the total costs associated with fulfilling this compliance order.

We appreciate the opportunity to respond to the above Notice of Probable Violation and Proposed Compliance Order. Please feel free to contact me or Larry Hawthorne at 903-654-5345 with any questions or comments.

Sincerely,



Gary W. Hartmann

c - B. Clark
L. Sleevi
J. Montgomery
L. Hawthorne

Item # (6) Proposed Compliance Order Cost CPF-5-2011-5003	(1) Total Cost associated with preparation/revision of plans procedures, studies, and analyses	(2) Total cost associated with replacement, additions, and other changes to pipeline infrastructure.
Documentation of the Safety Improvement cost associated with fulfilling Compliance Order CPF-5-2011-5003		
#(1) ExxonMobil Pipeline 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.		\$320 company labor, \$250 for signs and posts
#(2) ExxonMobil Pipeline must replace or modify all pipeline markers that do not contain accurate pipeline operators contact information with pipeline markers that do contain accurate pipeline operators contact information.		\$320 company labor, \$250 for signs and posts
#(3) ExxonMobil Pipeline Company must modify the pipeline span to ensure that excessive forces are not exerted on the pipeline.	\$1,800 for ROW costs	\$58,000 total. \$2,000 to remove stump and repair coating. \$56,000 for future debris prevention.
#(4) ExxonMobil Pipeline must remove the vegetation or obstructions that prevent the pipeline right of way from being seen by aerial patrols.		\$19,250 Contract Services and \$6,800 company labor.
#(5) ExxonMobil Pipeline must coat the exposed portion of the pipeline with a coating suitable to prevent atmospheric corrosion.		\$480 labor. Used existing material.
Totals	\$1,800	\$85,670