

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 10, 2011

Mr. Dennis Smith
ConocoPhillips Pipe Line Company
T.A. 2010
600 North Dairy Ashford Road
Houston, TX 77079

CPF 5-2011-5010M

Dear Mr. Smith:

On October 4 through October 8, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected ConocoPhillips Pipe Line Company's (CPPL's) operations and maintenance procedures in Billings, Montana.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within CPPL's plans or procedures, as described below:

- 1. §195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
 - (4) Determining which pipeline facilities are located in areas that would require an immediate response by the operator to prevent hazards to the public if the facilities failed or malfunctioned.**

CPPL's Pipeline and Terminals Notification process for determining areas that require immediate response was inadequate. At the time of inspection, the Pipeline and Terminal Notification written process was provided to PHMSA in the form of a flowchart which was the basis for CPPL's determination of areas requiring immediate response. The flowchart instructs personnel who discover an incident to call 911; however, there are no instructions for determining under what circumstances a call to 911 would be required or where to direct responders.

2. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (c) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
 - (13) **Periodically reviewing the work done by operator to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.**

CPPL's form TSD-0103 did not adequately document the periodic review of work to ensure the effectiveness of O&M procedures. CPPL's previous form MPR-2403 for documenting periodic review of personnel was considered adequate after it was revised to comply with CPF 5-2006-5016M. However, the new form TSD-0103, which replaced MPR-2403, only documents such periodic reviews of personnel work to determine the effectiveness of normal operations procedures as a pass/fail question. An operator must show that an in-depth review has been performed to determine the adequacy of a procedure and, if found to be inadequate, an operator must make appropriate modifications to procedures.

3. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (d) **Abnormal operation. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded;**
 - (5) **Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.**

CPPL's form TSD-0103 did not document the periodic review of responses to abnormal operations to ensure the effectiveness of procedures for controlling abnormal operations. CPPL's previous periodic review of personnel form MPR-2403 was considered adequate after it was revised to comply with CPF 5-2006-5016M. However, the new form TSD-0103, which replaced MPR-2403, does not address periodically reviewing the response of operator personnel to determine the effectiveness of procedures for controlling abnormal operations. An operator must show that some periodic review has been performed to determine the adequacy of responses to control abnormal operations, and an operator must make appropriate modifications to that abnormal operation response procedure if it is determined to be inadequate.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that ConocoPhillips maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Director, Western, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2011-5010M** 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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 G. Davis (#128421)