

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 24, 2012

Ms. Deborah Adams  
President  
ConocoPhillips Pipeline Company  
600 N. Dairy Ashford  
Houston, TX 77079

**CPF 5-2012-5010W**

Dear Ms. Adams:

On March 7 through April 3, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, completed multiple field inspections on your Yellowstone pipeline horizontal directional drill project under the Clark Fork River at MP 319.1, near the community of Turah, 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. §195.202 Compliance with specifications or standards.**  
**Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.**

ConocoPhillips Pipeline Company (CPPL) failed to have comprehensive written specifications or standards for all aspects of the Yellowstone pipeline horizontal directional drill (HDD) at MP 319.1. Though CPPL had procedures for welding and non-destructive testing (NDT) and manufacturer's recommended application practices for coating, other key construction specifications were not available to our inspector. After numerous requests, ConocoPhillips could not provide specifications or standards for all aspects of construction inspection including coating, specifications for field bending of pipe, and documentation requirements for coating application inspection.

**2. §195.204 Inspection - General.**

**Inspection must be provided to ensure the installation of pipe or pipeline systems in accordance with the requirements of this subpart. No person may be used to perform inspections unless that person has been trained and is qualified in the phase of construction to be inspected.**

CPPL failed to use a trained inspector to inspect the pipe welding process during their Yellowstone pipeline HDD at MP 319.1. The CPPL inspector who was responsible for the inspection of the welding process had not been trained in the inspection of welding processes. Though this individual was a qualified non-destructive tester and was experienced in welding, he did not have records showing that he had been trained in the inspection of the welding process. Furthermore, this inspector had no tools for checking the welding parameters of volts, amps and travel speed during welding. He only checked for preheat requirements.

Though all welds passed NDT requirements, one cannot be assured that the welding procedure was followed because welding the parameters of volts, amps, and travel speed were not periodically checked. Because a weld passes NDT does not mean that a procedure was followed. If the procedure is not followed it is possible for the welder to affect the metallurgical properties of the pipe and the weld in ways that may jeopardize the integrity of the pipeline.

**3. §195.589 What corrosion control information do I have to maintain?**

**(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to Secs. 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.**

CPPL did not maintain a record of coating prep, application, and pre-installation inspections of their Yellowstone pipeline HDD at MP 319.1. Coating preparation and coating application inspections are required to insure the coating meets the requirements of § 195.559. An operator must inspect their pipe's coating just prior to its installing it and they must repair all defects that are found in accordance with 195.561. Inspections that occurred

but were not documented included, surface prep profile checks, pipe temperature checks, wet surface film thickness, dry film thickness, “Jeeping including voltage used and repairs made to coating. An operator is required to maintain records of this nature for at least 5 years to demonstrate the adequacy of corrosion control measures in accordance with Subpart H.

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 items identified in this letter. Failure to do so will result in ConocoPhillips Pipeline Company 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 5-2012-5010W**. 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,

Chris Hoidal  
Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry  
PHP-500 G. Davis (#138648)