

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 5, 2016

Mr. James Barnum  
Vice President, Pipelines Services and Standards  
Chevron Pipe Line Company  
4800 Fournace Place, Room E 747  
Bellaire, TX 77401-2324

**CPF 5-2016-5004W**

Dear Mr. Barnum:

On July 13-16, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, conducted an inspection of the Rangely Crude System. During our inspection, we reviewed operation and maintenance records at the Chevron Headquarters in Houston, Texas.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations, Part 195. The item probable violation is:

**1. § 195.579 What must I do to mitigate internal corrosion?**

**(c) Removing pipe. Whenever you remove pipe from a pipeline, you must inspect the internal surface of the pipe for evidence of corrosion. If you find internal corrosion requiring corrective action under § 195.585, you must investigate circumferentially and longitudinally beyond the removed pipe (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed pipe.**

Chevron personnel did not complete the exposed pipe report for an In-Line Inspection (ILI) verification dig, designated as 13-RAN-096, 12/12/2013, MP 105.38, on the Rangely Crude

Pipeline System. The pipeline was cut and a five foot section replaced at this location. The Chevron technician who completed the exposed pipe report failed to comment on the condition of the inside of the pipe. Three questions relating to the internal pipe condition were left blank on Chevron's Repair Report. Chevron personnel need to ensure completion of all pipeline inspection forms, including those done for ILI verification digs.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 item(s) identified in this letter. Failure to do so will result in Chevron Pipe Line 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 5-2016-5004W**. 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 B. Brown (#149942)