U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 7, 2008

Mr. Tom Williams
Senior Vice President
Atlas Pipeline Mid-Continent, LLC
Ozark Gas Transmission
1437 S. Boulder, Suite 1500
Tulsa, OK 74119

CPF 2-2008-1002W

Dear Mr. Williams:

On October 30 – November 3, November 27 – December 1 and December 13 – 15, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Natural Gas Pipeline facilities and reviewed records in Arkansas, Oklahoma and Missouri.

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 violation(s) are:

1. **§192.479 Atmospheric corrosion control; General.**
(a) Each operator 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.

   Based on observations in the field Ozark needs to clean and coat above ground facilities at the following locations:
   1) Searcy station 2) Noark station 3) Block valve 8 on 16" line MP 173.34
   4) Block valve 4 New Hope Road MP 78.3 on 16" line 5) Block valve 9 MP 193.24
   6) Noark block valve 11 near MP 246 near Kennett 7)AWG-ANG station Kennett area

2. **§192.605 Procedural manual for operations, maintenance, and emergencies.**
(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.
(8) Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.

Ozark did not provide a record verifying periodic review of personnel work during normal operations to determine effectiveness of procedures.

3. **§192.473 External corrosion control: Interference currents.**
(a) Each operator whose pipeline system is subjected to stray currents shall have in effect a continuing program to minimize the detrimental effects of such currents.

Ozark did not provide a record which verified testing for interference currents or analysis of non-exposure to stray currents.

4. **§192.619 What is the maximum allowable operating pressure for steel or plastic pipelines?**
(a) Except as provided in paragraph (c) of this section, no person may operate a segment of steel or plastic pipeline at a pressure that exceeds the lowest of the following:
(1) The design pressure of the weakest element in the segment, determined in accordance with Subparts C and D of this part. However, for steel pipe in pipelines being converted under §192.14 or uprated under subpart K of this part, if any variable necessary to determine the design pressure under the design formula (§192.105) is unknown, one of the following pressures is to be used as as design pressure:
(i) Eighty percent of the first test pressure that produces yield under section N5 of Appendix N of ASME B31.8 (incorporated by reference, see § 192.7), reduced by the appropriate factor in paragraph (a)(2)(ii) of this section; or
(ii) If the pipe is 12¾ inches (324 mm) or less in outside diameter and is not tested to yield under this paragraph, 200 p.s.i. (1379 kPa) gage.
(2) The pressure obtained by dividing the pressure to which the segment was tested after construction as follows:
(i) For plastic pipe in all locations, the test pressure is divided by a factor of 1.5.
(ii) For steel pipe operated at 100 p.s.i. (689 kPa) gage or more, the test pressure is divided by a factor determined in accordance with the following table:

Class location	Factors[1], segment		
	Installed before (Nov. 12, 1970)	Installed after (Nov. 11, 1970)	Covered under §192.14
1	1.1	1.1	1.25
2	1.25	1.25	1.25
3	1.4	1.5	1.5
4	1.4	1.5	1.5

[1] For offshore segments installed, uprated or converted after July 31, 1977, that are not located on an offshore platform, the factor is 1.25. For segments installed, uprated or converted after July 31, 1977, that are located on an offshore platform or on a platform in inland navigable waters, including a pipe riser, the factor is 1.5

(3) The highest actual operating pressure to which the segment was subjected during the 5 years preceding the applicable date in the second column. This pressure restriction applies unless the segment was tested according to the requirements in paragraph (a)(2) of this section after the applicable date in the third column or the segment was uprated according to the requirements in subpart K of this part:

Pipeline segment	Pressure date	Test date
--Onshore gathering line that first became subject to this part (other than § 192.612) after April 13, 2006.	March 15, 2006, or date line becomes subject to this part, whichever is later.	5 years preceding applicable date in second column.
--Onshore transmission line that was a gathering line not subject to this part before March 15, 2006.		
Offshore gathering lines.	July 1, 1976.	July 1, 1971.
All other pipelines.	July 1, 1970.	July 1, 1965.

(4) The pressure determined by the operator to be the maximum safe pressure after considering the history of the segment, particularly known corrosion and the actual operating pressure.
(b) No person may operate a segment to which paragraph (a)(4) of this section is applicable, unless overpressure protective devices are installed on the segment in a manner that will prevent the maximum allowable operating pressure from being exceeded, in accordance with §192.195.
(c) The requirements on pressure restrictions in this section do not apply in the following instance. An operator may operate a segment of pipeline found to be in satisfactory condition, considering its operating and maintenance history, at the highest actual operating pressure to which the segment was subjected during the 5 years preceding the applicable date in the second column of the table in paragraph (a)(3) of this section. An operator must still comply with §92.611.

Ozark did not provide a record of the MAOP calculation for its pipeline.

5. **§192.225 Welding procedures.**
(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under section 5 of API 1104 (incorporated by reference, see § 192.7) or section IX of the ASME Boiler and Pressure Vessel Code `` Welding and Brazing Qualifications'' (incorporated by reference, see § 192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the applicable welding standard(s).
(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. *This record must be retained and followed whenever the procedure is used.*

§192.227 Qualification of welders.
(a) Except as provided in paragraph (b) of this section, each welder must be qualified in accordance with section 6 of API 1104 (incorporated by reference, see § 192.7) or section IX of the ASME Boiler and Pressure

§192.229 Limitations on welders.
(b) No welder may weld with a particular welding process unless, within the preceding 6 calendar months, he has engaged in welding with that process.
(c) A welder qualified under §192.227(a)–
(1) May not weld on pipe to be operated at a pressure that produces a hoop stress of 20 percent or more of SMYS unless within the preceding 6 calendar months the welder has had one weld tested and found acceptable under the sections 6 or 9 of API Standard 1104 (incorporated by reference, see § 192.7). Alternatively, welders may maintain an ongoing qualification status by performing welds tested and found acceptable under the above acceptance criteria at least twice each calendar year, but at intervals not exceeding 7 ½ months. A welder qualified under an

earlier edition of a standard listed in § 192.7 of this part may weld but may not requalify under that earlier edition; and

§192.241 Inspection and test of welds.
(b) The welds on a pipeline to be operated at a pressure that produces a hoop stress of 20 percent or more of SMYS must be nondestructively tested in accordance with §192.243, except that welds that are visually inspected and approved by a qualified welding inspector need not be nondestructively tested if:
(1) The pipe has a nominal diameter of less than 6 inches (152 millimeters); or
(2) The pipeline is to be operated at a pressure that produces a hoop stress of less than 40 percent of SMYS and the welds are so limited in number that nondestructive testing is impractical.

§192.243 Nondestructive testing.
(b) Nondestructive testing of welds must be performed:
(2) By persons who have been trained and qualified in the established procedures and with the equipment employed in testing.
(f) When nondestructive testing is required under §192.241(b), each operator must retain, for the life of the pipeline, a record showing by milepost, engineering station, or by geographic feature, the number of girth welds made, the number nondestructively tested, the number rejected, and the disposition of the rejects.

Ozark performed hot taps on its pipeline, however, the following issues were found:

- Ozark did not provide record or work order to show planned welding activities or the welding procedure used. Additionally, Ozark did not provide record verifying qualification of welding procedure per API 1104 or ASME including destructive test results.

- Ozark did not provide records of who performed the welding and their qualifications.

- Ozark did not provide NDT records.

6. **§192.491 Corrosion control records.**
(a) Each operator shall maintain records or maps to show the location of cathodically protected piping, cathodic protection facilities, galvanic anodes, and neighboring structures bonded to the cathodic protection system. Records or maps showing a stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode.

Ozark did not provide an adequate record and or map showing location of the following: sacrificial anodes, ground beds, critical and non-critical bonds, rectifiers, electrical isolations, test stations, AC interference components, lightening arrestors and grounds.

7. **§192.467 External corrosion control: Electrical isolation.**
(c) Except for unprotected copper inserted in a ferrous pipe, each pipeline must be electrically isolated from metallic casings that are a part of the underground system. However, if isolation is not achieved because it is impractical, other measures must be taken to minimize corrosion of the pipeline inside the casing.

Regarding the shorted casing at MP 114.5 (at interstate 40) on 20" line; Ozark did not provide records on measures taken to minimize corrosion of the pipe inside the casing. In addition, no record was provided on how long this condition has existed, and the impracticality of this isolation.

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 Ozark Gas Transmission 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 2-2008-1002W.** 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,

Mohammed Shoaib
Acting Director, Southern Region
Pipeline and Hazardous Materials Safety Administration

cc: SouthwestRegion