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U.S. Department
of Transportation
**Pipeline and
Hazardous Materials Safety
Administration**

901 Locust Street, Suite 462
Kansas City, MO 64106-2641

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 9, 2007

Mr. Timothy C. Felt
President & CEO
Explorer Pipeline
Autumn Oaks Building, Suite 300
Third Floor
6846 South Canton Avenue
Tulsa, Ok 74136

CPF 3-2007-5010W

Dear Mr. Felt:

On June 26 - 30, September 18 - 22, September 25 - 29, and November 27 - 30, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline facilities in Illinois, Missouri, and Indiana.

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. **§195.567 Which pipelines must have test leads and what must I do to install and maintain the leads?**
   (a) Maintenance. You must maintain the test lead wires in a condition that enables you to obtain electrical measurements to determine whether cathodic protection complies with Sec. 195.571.

   Explorer did not maintain the test lead wires at MP 156.136, 369.8299 (or 369.83), 371.9646, 371.9657, and MP 375.8415 for the 2003, 2004, and 2005 annual inspections.

2. **§195.573 What must I do to monitor external corrosion control?**

(d) Breakout tanks. You must inspect each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank to ensure that operation and maintenance of the system are in accordance with API Recommended Practice 651. However, this inspection is not required if you note in the corrosion control procedures established under Sec. 195.402(c)(3) why compliance with all or certain operation and maintenance provisions of API Recommended Practice 651 is not necessary for the safety of the tank.

Explorer did not inspect the center cathodic protection test lead for two consecutive years for breakout tank numbers 431, 439, & 471 at Wood River and 654 at Hammond.

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.

Explorer did not have records that documented the electrical check for proper performance on rectifiers # 446 for the 3/31/2004 and # 421-9 for the 11/10/2004, and 12/28/2004 Wood River area surveys.

4. **§195.583 What must I do to monitor atmospheric corrosion control?**

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months

Explorer did not inspect each pipeline or portion of pipeline that was exposed to the atmosphere on 14 Spans in the Wood River area and 1 Span in the Hammond area for evidence of atmospheric corrosion. See attached spreadsheet labeled "List of Spans." Explorer is expected to document future inspections of spans for atmospheric corrosion.

5. **§195.406 Maximum operating pressure (MOP).**

(d) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

Explorer exceeded 110% of MOP on the Hammond Station ANSI 150 pound piping on July 25, 2005. The MOP of ANSI 150 is 285 psig and 110% would be 313.5 psig. The overpressure condition was a momentary surge of 330 psig.

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 these items identified in this letter. Failure to do so will result in Explorer 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 3-2007-5010W.** 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,

for Donald E. Morse

Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration