NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 2, 2010

Mr. John Gurrola, Vice President and Manager
Wolverine Pipe Line Company
8075 Creekside Drive, Suite 210
Portage, MI 49024-5251

CPF 3-2010-5004M

Dear Mr. Gurrola:

On October 22-26, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Wolverine Pipe Line Company's procedures and records as part of a standard unit inspection in Portage, MI.

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

1. **§195.120 Passage of internal inspection devices.**

(a) Except as provided in paragraphs (b) and (c) of this section, each new pipeline and each line section of a pipeline where the line pipe, valve, fitting or other line component is replaced, must be designed and constructed to accommodate the passage of instrumented internal inspection devices.

Wolverine Pipe Line Company did not maintain an adequate manual that addresses how each new pipeline or pipeline replacement component must be designed and constructed to accommodate the passage of instrumented internal inspection devices. The Wolverine DOT Liquids Manual needs additional detail concerning the accommodation of instrumented internal inspection devices in new or replaced pipelines.

2. §195.214 Welding procedures.

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under Section 5 of API 1104 or Section IX of the ASME Boiler and Pressure Vessel Code (ibr, see § 195.3). The quality of the test welds used to qualify the welding procedure shall be determined by destructive testing.

Wolverine Pipe Line Company did not specify whether procedures are qualified under Section 5 of API 1104 or Section IX of the ASME Boiler and Pressure Vessel Code in their WPL welding manual. Wolverine Pipeline (WPL) Welding Manual Version 1, October 2006, Section 3, Welding and Welder Qualification, does not specifically require that procedures be qualified per Section 5.0 of API 1104 or Section IX of ASME Boiler and Pressure Vessel Code.

3. §195.222 Welders: Qualification of welders.

(a) Each welder must be qualified in accordance with section 6 of API 1104 (ibr, see § 195.3 or section IX of the ASME Boiler and Pressure Vessel Code, (ibr, see § 195.3) except that a welder qualified under an earlier edition than listed in § 195.3 may weld but may not re-qualify under that earlier edition.

Wolverine Pipe Line Company procedures did not specify that each welder must be qualified in accordance with section 5 of API 1104 (ibr, see § 195.3 or section IX of the ASME Boiler and Pressure Vessel Code, (ibr, see § 195.3). A welder qualified under an earlier edition than listed in § 195.3 may weld but may not re-qualify under that earlier edition**.** Wolverine Pipeline Welding Manual, Version 1, October 2006, Section 3.2.4 Policy, does not stipulate that a welder may not be re-qualified under an earlier version of API 1104

4. §195.222 Welders: Qualification of welders.

(b) No welder may weld with a welding process unless, within the preceding 6 calendar months, the welder has--

(1) Engaged in welding with that process; and
(2) Had one welded tested and found acceptable under section 9 of API 1104 (ibr, see § 195.3).

Wolverine Pipe Line Company did not cite in their welding manual that no welder may weld with a welding process unless, within the preceding 6 calendar months, the welder has engaged in welding with that process and had one weld tested and found acceptable under section 9 of API 1104. The Wolverine Pipeline Welding Manual, Version 1, October 2006, Section 3.2.5, Welder Requalification, does not require either welding in the past 6 months or have a weld tested in the past 6 months as criteria.

5. §195.228 Welds and welding inspection: Standards of acceptability.

(b) The acceptability of a weld is determined according to the standards in Section 9 of API 1104. However, if a girth weld is unacceptable under those standards for a reason other than a crack, and if Appendix A to API 1104 (ibr, see § 195.3) applies to the weld, the acceptability of the weld may be determined under that appendix.

Wolverine Pipe Line Company did not cite in their welding manual, the acceptability of a weld according to the standards in Section 9 of API 1104. The WPL Welding Manual, Section 6.0, Radiographic Testing, does not specifically require NDT procedures to be qualified per Section 9 of API 1104.

6. §195.234 Welds: Nondestructive testing.

(a) A weld may be nondestructively tested by any process that will clearly indicate any defects that may affect the integrity of the weld.
(b) Any nondestructive testing of welds must be performed-

(1) In accordance with a written set of procedures for nondestructive testing; and

(2) With personnel that have been trained in the established procedures and in the use of the equipment employed in the testing.

(c) Procedures for the proper interpretation of each weld inspection must be established to ensure the acceptability of the weld under §195.228.

(d) During construction, at least 10 percent of the girth welds made by each welder during each welding day must be nondestructively tested over the entire circumference of the weld.

(e) All girth welds installed each day in the following locations must be nondestructively tested over their entire circumference, except that when nondestructive testing is impracticable for a girth weld, it need not be tested if the number of girth welds for which testing is impracticable does not exceed 10 percent of the girth welds installed that day:

(1) At any onshore location where a loss of hazardous liquid could reasonably be expected to pollute any stream, river, lake, reservoir, or other body of water, and any offshore area;
(2) Within railroad or public road rights-of-way;
(3) At overhead road crossings and within tunnels;
(4) Within the limits of any incorporated subdivision of a State government; and,
(5) Within populated areas, including, but not limited to, residential subdivisions, shopping centers, schools, designated commercial areas, industrial facilities, public institutions, and places of public assembly.

(f) When installing used pipe, 100 percent of the old girth welds must be nondestructively tested.

(g) At pipeline tie-ins, including tie-ins of replacement sections, 100 percent of the girth welds must be nondestructively tested.

Wolverine Pipe Line Company did not specify in their welding manual that a weld may be nondestructively tested by any process that will clearly indicate any defects that may affect the integrity of the weld. Any nondestructive testing of welds must be performed in accordance with a written set of procedures for nondestructive testing; and with personnel that have been trained in the established procedures and in the use of the equipment employed in the testing. The WPL Welding Manual, Section 6.0, Radiographic Testing, does not specify the minimum number and location of welds to be nondestructively tested.

7. §195.404 Maps and Records.

(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information;

(1) Location and identification of the following pipeline facilities;

(iii) Scraper and sphere facilities;

Wolverine Pipe Line Company procedures did not stipulate current maps and records be maintained that would identify scraper and sphere facilities along their pipeline system in the WPL manual. The WPL Liquids Manual needs to incorporate scraper and sphere facilities into maps and records requirements.

8. §195.404 Maps and Records.

(2) All crossings of public roads, railroads, rivers, buried utilities, and foreign pipelines.

Wolverine Pipe Line Company procedures did not stipulate current maps and records be maintained that would identify all crossings of public roads, railroads, rivers, buried utilities, and foreign pipelines along their pipeline system in the WPL manual. The WPL Liquids Manual needs to incorporate rivers, buried utilities and foreign pipelines into maps and records requirements.

9. §195.406 Maximum operating pressure.

(a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:

(1) The internal design pressure of the pipe determined in accordance with §195.106. However, for steel pipe in pipelines being converted under §195.5, if one or more factors of the design formula (§195.106) are unknown, one of the following pressures is to be used as design pressure:

Wolverine Pipe Line Company did not specify in the WPL DOT Liquids manual the maximum operating pressure criteria that no operator may operate a pipeline at a pressure that exceeds the internal design pressure of the pipeline. The WPL DOT Liquids Manual should reference the ExxonMobil Onshore Pipeline Design, GP 59-01-01 Section, Section 5.4 MAOP/MOP or be incorporated in the WPL Liquids Manual.

10. §195.406 Maximum operating pressure.

(a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:

(2) The design pressure of any other component of the pipeline.

Wolverine Pipe Line Company did not specify in the WPL DOT Liquids manual the maximum operating pressure criteria that no operator may operate a pipeline at a pressure that exceeds the design pressure of any component of the pipeline. The WPL DOT Liquids Manual should reference the ExxonMobil Onshore Pipeline Design, GP 59-01-01 Section, Section 5.4 MAOP/MOP or be incorporated in the WPL Liquids Manual.

11. §195.406 Maximum operating pressure.

(b) 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.

Wolverine Pipe Line Company did not specify in the WPL DOT Liquids manual that no operator may permit the pressure in a pipeline to exceed 110 percent of the operating pressure limit established. The WPL DOT Liquids Manual should reference the ExxonMobil Onshore Pipeline Design GP 59-01-01, Section 5.5, Normal Operating Conditions or be incorporated in the WPL Liquids Manual.

12. §195.438 Smoking or open flames.

Each operator shall prohibit smoking and open flames in each pump station area and each breakout tank area where there is a possibility of the leakage of a flammable hazardous liquid or of the presence of flammable vapors.

Wolverine Pipe Line Company did not specify in the WPL DOT Liquids Manual or the Wolverine Safety Manual the prohibition of smoking and open flames in each pump station and breakout tank area where there is a possibility of the leakage of a flammable hazardous liquid or the presence of flammable vapors. The Wolverine DOT Liquid Manual refers to the Wolverine Safety Manual for details on sign placement to prohibit smoking and open flames. The Safety Manual needs additional detail on sign placement.

13. §195.442 Damage Prevention Program

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:

(6) Provide as follows for inspection of pipelines that an operator has reason to believe could be damaged by excavation activities:

(i) The inspection must be done as frequently as necessary during and after the activities to verify the integrity of the pipeline; and

(ii) In the case of blasting, any inspection must include leakage surveys.

Wolverine Pipe Line Company did not specify in their WPL One-Call Procedures Manual that in the case of blasting, any inspection must include leakage surveys. The WPL One-Call Procedures Manual (5/22/07), page 14, Wolverine Pipeline Company Excavation/Construction Restrictions, page 14, needs to incorporate leak surveying after blasting in the vicinity of the pipeline.

14. §195.559 What coating material may I use for external corrosion control?

Coating material for external corrosion control under Sec. 195.557 must--

(a) Be designed to mitigate corrosion of the buried or submerged pipeline;
(b) Have sufficient adhesion to the metal surface to prevent under film migration of moisture;
(c) Be sufficiently ductile to resist cracking;

(d) Have enough strength to resist damage due to handling and soil stress;
(e) Support any supplemental cathodic protection; and
(f) If the coating is an insulating type, have low moisture absorption and provide high electrical resistance.

Wolverine Pipe Line Company did not maintain an adequate manual that addresses the type of coating material required for external corrosion control. The Wolverine Pipe Line (WPL) Liquid Manual does not contain specific requirements and recommendations for pipe coating. The revised manual should refer to an ExxonMobil global practice or incorporate this information into the WPL Liquid Manual.

15. §195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?

(a) You 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.
(c) Except portions of pipelines in offshore splash zones or soil-to-air interfaces, you need not protect against atmospheric corrosion any pipeline for which you demonstrate by test, investigation, or experience appropriate to the environment of the pipeline that corrosion will-

(1) Only be a light surface oxide; or
(2) Not affect the safe operation of the pipeline before the next scheduled inspection.

Wolverine Pipe Line Company did not maintain an adequate manual that addresses which pipelines must be protected against atmospheric corrosion and the coating material that must be used according to the code. The Wolverine Pipe Line (WPL) Liquid Manual does not contain specific requirements and recommendations for coating to prevent atmospheric corrosion. The revised manual should refer to an ExxonMobil global practice or incorporate this information into the WPL Liquid Manual.

Wolverine Pipe Line Company has revised the noted procedures and submitted them to PHMSA on August 27, 2009. The revised procedures are acceptable and no further revisions are required. This Notice of Amendment provides concurrence with the Wolverine Pipe Line Company's revised WPL Liquid Manual.

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 any additional 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.

In correspondence concerning this matter, please refer to **CPF 3-2010-5004M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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