

ExxonMobil Pipeline Company

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G.W. (Gary) Hartmann

Safety, Health And Environment Department
Manager

ExxonMobil
Pipeline

February 3, 2011

R. M. Seeley Director,
Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 South Gessner, Suite 1110
Houston, TX 77074



Re: **CPF 4-2010-5018M Notice of Amendment**
ExxonMobil Pipeline Company's BRASS and SLAM Operating Areas

Dear Mr. Seeley:

On July 26 through July 30, and August 23 through August 27, a representative of Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected ExxonMobil Pipeline Company's (EMPCo) BRASS and SLAM operating areas in Louisiana. During the inspection, PHMSA identified perceived inadequacies within EMPCo's Facilities Inspection and Maintenance Management System (FIMMS) *Tank Inspection Program* and *Shorted Casing Program*. Pursuant to Chapter 601 of 49 United States Code, Notice of Amendment (NOA) CPF 4-2010-5018M, dated November 30, 2010, was issued to EMPCo. The Notice was received on December 9, 2010 as Certified Mail and Return Receipt Requested. EMPCo applied for an extension on December 21, 2010. PHMSA granted the request, extending the response time to February 7, 2011.

In response to this NOA, EMPCo has chosen to Not Contest this Notice and has modified the *FIMMS Tank Inspection Program* and *Shorted Casing Program* to include the following:

FIMMS Tank Inspection Program

To address the concerns listed under 49 CFR 195.432 EMPCo has strengthened the FIMMS Tank Inspection requirements to ensure inspection intervals are calculated in accordance with API Standard 653 and supporting documentation is included to demonstrate all assumptions used in the calculations.

EMPCo has revised the Data Management section to better communicate API Standard 653 record keeping requirements including documentation retention periods, documentation location, roles and responsibilities.

Enhancements were made to better identify potential hazardous conditions, safety practices and API procedures by cross-referencing API Publication 2026, *"Safe Access/Egress Involving Floating Roofs of Storage Tanks in Petroleum Service"*. Also, EMPCo added additional API Standards, EMPCo Manuals and ExxonMobil Global Practices to the Guidance Material List. A more comprehensive listing of the program revisions can be found in attachment #1.

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FIMMS Shorted Casing Program

In the subject NOA, PHMSA identified inadequacies in EMPCo's plans or procedures related to 49 CFR 195.575 (c) which requires that electrical isolation be inspected and electrically tested to assure adequate isolation. Specifically, PHMSA indicated that casings that are discovered that do not have test leads or casing vents to allow for monitoring electrical isolation must be addressed within one year of their discovery consistent with the "prior to next required inspection" guideline.

In response to PHMSA's assertion, EMPCo revised our Facilities Inspection and Maintenance Manual (FIMMS) Shorted Casing Program and Cathodic Protection Program. Language in both Programs was strengthened to indicate that all known casings will be monitored annually for electrical isolation from the carrier pipeline. A process was also developed to notify Area Management of any known casings that are not monitored for electrical isolation. Please see Attachment 2 for additional details demonstrating the Program enhancements EMPCo is proposing.

The intent of this letter is to provide a detailed response to the assertion of inadequate procedures without the need of a formal hearing. However, if a solution to this matter cannot be agreed upon based on the information provided in this correspondence, EMPCo reserves the right to request a formal hearing on all issues outlined in the Notice, at which time EMPCo would be represented by counsel. Please confirm whether this response is satisfactory to address the subject Notice of Amendment CPF 4-2010-5018M.

Please contact Kirwin L Yates at (225) 324-3055 or kirwin.l.yates@exxonmobil.com for any additional questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gary W. Hartmann", with a long horizontal flourish extending to the right.

G.W. (Gary) Hartmann

Safety, Health and Environment Department Manager

Attachments:

Tank Inspection Program Enhancements

Shorted Casing Program Enhancements