

NOTICE OF AMENDMENT

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

November 24, 2020

Rob Peterson
Senior Vice President
Permian EOR at Occidental Petroleum
5 Greenway Plaza
Houston, Texas 77046

CPF 4-2020-5016M

Dear Mr. Peterson:

From January 22, 2018 through May 4, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Occidental Petroleum Corporation's (OXY) Bravo Pipeline System operations, maintenance, and emergency response procedures in Sundown, Texas.

Based on the inspection, PHMSA has identified the apparent inadequacies found within Occidental Petroleum Corporation's Bravo Pipeline System's plans or procedures, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted

§ 195.52 Immediate notice of certain accidents.

(b) Information required. Each notice required by paragraph (a) of this section must be made to the National Response Center either by telephone to 800-424-8802 (in Washington, DC, 202-267-2675) or electronically at <http://www.nrc.uscg.mil> and must include the following information:

(6) Initial estimate of amount of product released in accordance with paragraph (c) of this section.

(7) All other significant facts known by the operator that are relevant to the cause of the failure or extent of the damages.

(c) Calculation. A pipeline operator must have a written procedure to calculate and provide a reasonable initial estimate of the amount of released product.

(d) New information. Within 48 hours after the confirmed discovery of an accident, to the extent practicable, an operator must revise or confirm its initial telephonic notice required in paragraph (b) of this section with a revised estimate of the amount of product released, location of the failure, time of the failure, a revised estimate of the number of fatalities and injuries, and all other significant facts that are known by the operator that are relevant to the cause of the accident or extent of the damages. If there are no changes or revisions to the initial report, the operator must confirm the estimates in its initial report.

OXY's Bravo Pipeline reporting procedures in *OMER Book 1, Section 7-Emergencies and Accident Reporting* (Revised 03/16/10), pages 2, 3, and 4, did not include all the information required by § 195.52 for immediately reporting accidents to the National Response Center.

OXY must update the "Emergencies and Accident Reporting" requirements listed in the Oxy Bravo Pipeline's *OM&ER Book 1, Section 7* to reflect the requirements in § 195.52 pertaining to the immediate notice of certain accidents.

2. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

§ 195.571 What criteria must I use to determine the adequacy of cathodic protection?

Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained

paragraphs 6.2.2, 6.2.3, 6.2.4, 6.2.5 and 6.3 in NACE SP 0169 (incorporated by reference, see § 195.3).

OXY's Bravo Pipeline's *OMER Book 1, Section 16 Corrosion Control* (Revised 06/12/08) procedures were inadequate regarding the application of cathodic protection criteria used to evaluate the adequacy of cathodic protection. OXY's "RE: §195.571 Cathodic Protection Criteria" procedure did not identify the use of the 100 mV polarization criterion as a pipe-to-soil criterion used to determine the adequacy of cathodic protection for buried pipelines.

OXY must revise its "RE: §195.571 Cathodic Protection Criteria" procedure to include detailed procedures for the application of the 100 mV polarization criterion as a pipe-to-soil criterion used to determine the adequacy of cathodic protection for OXY's Bravo CO2 pipelines. Since OXY used the 100 mV polarization criterion to determine the adequacy of cathodic protection for several of its pipeline segments, it must also state reasons and justification in its procedures for the use of this criterion.

Furthermore, OXY's "RE: §195.571 Cathodic Protection Criteria" procedure lacks sufficient detail on consideration given to voltage drops other than those across the pipe-to-soil boundary (IR drop) as recommended by NACE SP 0169 when using the pipe-to-soil criterion of negative (cathodic) potential of at least 850 millivolts, with cathodic protection current applied.

OXY must revise its "RE: §195.571-Cathodic Protection Criteria" procedure to include detailed procedures for consideration given to voltage drops other than those across the pipe-to-soil boundary (IR drop) when the 850 millivolts with cathodic protection current applied criterion is used to determine the adequacy of cathodic protection.

3. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

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

(a) Protected pipelines. You must do the following to determine whether cathodic protection required by this subpart complies with § 195.571:

(1) Conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months. However, if tests at those intervals are impractical for separately protected short sections of bare or ineffectively coated pipelines, testing may be done at least once every 3 calendar years, but with intervals not exceeding 39 months.

OXY Bravo Pipeline's *OMER Book 1, Section 16 Corrosion Control* (Revised 06/12/08) procedures were inadequate regarding the remediation of deficient pipe-to-soil readings identified during annual surveys, which are required to determine if cathodic protection for buried pipelines is adequate and in compliance with § 195.571. OXY's "RE: §195.573 (a1)-Pipe to soil monitoring (annually/15 months)" procedure did not include a timeline to remediate cathodic protection deficiencies identified during annual surveys in accordance with §195.573(e).

OXY must revise its operations, maintenance, & emergency response procedures manual, *OMER Book 1, Section 16 Corrosion Control* (Revised 06/12/08) procedures to include a timeline for remediation of pipe-to-soil readings' deficiencies identified during annual surveys.

4. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

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

(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by § 195.581.

OXY Bravo Pipeline's *OMER Book 1, Section 16 Corrosion Control* (Revised 06/12/08) procedures were inadequate regarding the atmospheric corrosion inspection remediation. OXY's "RE: §195.583-Monitoring Atmospheric Corrosion Control" procedure did not include a timeline to remediate deficiencies identified during atmospheric corrosion inspections in accordance with § 195.581.

OXY must revise its operations, maintenance, & emergency response procedures manual, *OMER Book 1, Section 16 Corrosion Control* (Revised 06/12/08) procedures to include a timeline for remediation of deficiencies identified during atmospheric corrosion inspections.

5. § 195.452 Pipeline integrity management in high consequence areas.

(m) How does an operator notify PHMSA? An operator must provide any notification required by this section by:

(1) Sending the notification by electronic mail to Information Resources Manager @dot.gov; or,

(2) Sending the notification by mail to ATTN: Information Resources Manager, DOT/PHMSA/OPS, East Building, 2nd Floor, E22-321, 1200 New Jersey Ave SE., Washington, DC 20590

OXY failed to update the PHMSA notification contact information included in “Section 6.7.3” of Occidental Oil and Gas Corporation’s *HES Integrity Management Program Manual* to be consistent with what is currently listed in § 195.452(m)(1) and (2).

OXY must revise “Section 6.7.3” of Occidental Oil and Gas Corporation’s *HES Integrity Management Program Manual* to match what is currently listed in § 195.452(m)(1) and (2), to include the email and physical address for PHMSA as well as delete the outdated PHMSA contact information.

6. § 195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(e) Evaluate an individual if the operator has reason to believe that the individual is no longer qualified to perform a covered task;

OXY’s Bravo Pipeline Company’s *Operator Qualification Program, Section 7.5 Re-evaluation/Qualification* failed to describe in sufficient detail the re-evaluation process if an individual is no longer considered qualified or if a qualified individual fails an evaluation. The time frame for receiving retraining and repeating evaluations was not defined. Furthermore, when remedial training is required for individuals no longer considered qualified to perform a covered task, the process did not identify the individual who initiates or reviews the re-training (for example, individual’s supervisor, proctor/evaluator, or subject matter expert).

To satisfy the requirement of § 195.505(e), OXY must revise the Bravo Pipeline Company’s *Operator Qualification Program, Section 7.5 Re-evaluation/Qualification* to include additional guidance regarding the timeframe between a failed evaluation of a covered task and repeating the same covered task for re-evaluation, as well as guidance on the individual within the organization responsible for initiating the remedial training for an individual no longer considered qualified to perform a covered task.

7. § 195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

§ 195.503 Definitions.

Qualified means that an individual has been evaluated and can:

(b) Recognize and react to abnormal operating condition

OXY failed to ensure that the abnormal operating conditions (AOCs) listed for several Bravo Pipeline Company's covered tasks were specific enough to ensure that employees can recognize and react to the AOCs associated with the covered task. As a result, OXY failed to ensure that individuals performing covered tasks on its pipeline system were properly qualified. The AOCs identified were not specific and relevant to each covered task in its *Operator Qualification Program* (OQ) (Revised June 10, 2006) and thus could not evaluate an individual's ability to recognize and react to AOCs while performing each covered task.

During the inspection, the PHMSA inspector reviewed the following OQ covered tasks: (1) Oxy Bravo "Pipeline Operations Task # 9 CP Rectifier, Taking Readings" (Rev. 7); (2) Oxy Bravo "Pipeline Operations Task # 10 Rectifier Maintenance" (Rev. 8); and (3) Oxy Bravo "Pipeline Operations Task #20 Mainline Valves Inspection" (Rev. 6). These three covered tasks listed identical AOCs and did not include specific conditions that may indicate a malfunction of a component or deviation from normal operations that may indicate a condition exceeding design limits, or result in a hazard(s) to persons, property, or the environment.

OXY did not meet the minimum requirements for the operator qualification as required by § 195.503 and § 195.505 by failing to ensure that the AOCs listed for several OXY Bravo Pipeline's covered tasks were specific enough to ensure employees can recognize and react to the AOCs associated with the covered task.

OXY must review and revise each of its OQ Program covered tasks to ensure that the AOCs are appropriate for the covered task. AOCs identified and used in evaluating individuals should represent those that could reasonably be anticipated during the performance of the covered tasks.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have **30** days to submit written comments, revised procedures, or a request for a hearing under § 190.211. 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your 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.

It is requested (not mandated) that Occidental Petroleum Corporation maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Mary L. McDaniel, P.E., Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2020-5016M**, and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

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