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March 4, 2021

Ms. Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardouw Material Safety Administration
8701 S. Gessner Road, Suite 360
Houston, TX 77074

RE: CPF 4-2021-012-NOA
Notice of Amendment – PHMSA ExxonMobil SYU Inspection
Written Response

Dear Ms. McDaniel:

ExxonMobil Upstream Oil & Gas, US Conventional ("ExxonMobil" or "Company") received the Notice of Amendment (NOA) dated February 5, 2021 from the Pipeline and Hazardous Materials Safety Administration (PHMSA) concerning possible inadequecies within ExxonMobil's Operations, Maintenance, & Emergency (OME) Manual. The letter was received on February 5, 2021.

Possible inadequecies, as identified by PHMSA representatives, appear in bolded text with the Company's response to each immediately following the bolded text. In addition, the revised language to be included in the OME Manual is shown in italics.

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.…
(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:
(1) Receiving, identifying, and classifying notices of events which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action.

ExxonMobil's *Operations, Maintenance, & Emergency Manual* (OME Manual) 12/20/2019 hazardous liquid pipelines, "Section 2.1.2 Emergency Operation" under "Section 2.1 Requirements for Abnormal and Emergency Operations Procedures" is inadequate to assure safe operation of a pipeline. Specifically, Section 2.1 does not provide adequate guidance for receiving, identifying, and classifying notices of events, which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action as required by § 195.402(e)(1).

While ExxonMobil's OME Manual references § 195.402(e)(1), it does not have written procedures describing the process for how the operator will achieve the code requirement. ExxonMobil must amend its procedures and manual to address this inadequacy.

The OME Manual Sections 2.3.1 "Emergency Action Manual", 2.3.2 "Abnormal/Emergency Operations Plan Implementation and Follow-up", and 2.3.6.2 "Filing of Telephonic/Written Accident Reports", provide guidance for receiving, identifying, and classifying notices of events, which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action as required by § 195.402(e)(1).

Section 2.3.1 "Emergency Action Manuals" incorporates site specific Emergency Action Manuals, which provide procedures to be used in the response to an emergency situation. The Emergency Action Manuals include emergency action checklists to be consulted and followed to the extent appropriate when responding to any emergency situation involving DOT facilities.

The OME Manual Section 2.3.1 will be revised to include the below-noted language:

The following Emergency Action Manuals are incorporated by reference and are to be used in the response to an emergency situation:

- *Las Flores Canyon, ExxonMobil Santa Ynez Unit, Oil and Gas Processing Facility and POPCO Gas Treatment Facility Emergency Response Plan*
  - *Section 2: Initial Response*
  - *Section 3: Notification Procedures*
  - *Section 6: Documentation*
  - *Section 7: Resources*
  - *Section 8: Logistics*
  - *Section 9: Procedures*
  - *Section 10: Communications*
- *Oil Spill Response Plan – Pacific Region*
  - *Section 6-1: Spill Detection and Source Identification and Control*
  - *Section 7-1: QI, SMT, SROT, and OSRO Notifications*
  - *Section 8-1: External Notifications*
- *Emergency Contingency Plan - LaBarge Plan*
  - *Section II: Emergency Procedures (Control Room Emergency Procedures, Site Evaluation Plans, Medical Emergencies, Fires and Explosions, Spills/Leaks, Well Control, Facility Security/Bomb Threats, and Severe Weather/Natural Disasters).*
  - *Section III: Emergency Notification Procedures*
  - *Section IV: Community/Evacuation Plans*

The OME Section 2.3.2 "Abnormal/Emergency Operations Plan Implementation and Follow-up" describes the process to aid field personnel in determining when and how to implement abnormal or emergency procedures, and provides a guide for performing timely and effective follow-up to abnormal or emergency situations.

DOT Form 3 "DOT Facility Event Record" is initiated any time notice of an event, which could possibly be an abnormal or emergency situation, is received. The person receiving the notice will record all available information from the reporting party on the DOT Form 3 and pass it along to a supervisor or the senior ExxonMobil associate available. Information recorded on DOT Form 3 will assist the Field Supervisor in making the classification determination and decision to implement the abnormal or emergency operations plan. Initial personnel response will be dispatched by the Site's Supervisor if a suspected emergency condition is identified.

The Field Supervisor will engage the Local DOT Administrator and site management to make immediate notifications of the potential hazards to people and property to responding agencies. Section 2.3.6.2 "Filing of Telephonic/Written Accident Reports", lists reporting requirements and guidance for classification of accidents to fire, police, or other appropriate public officials associated with DOT regulated pipelines.

In addition to the above mentioned OME sections, Section 2.4.1 and Section 2.4.2 are used to respond to abnormal operations and emergency conditions respectively, and Section 2.4.3 "Emergency Block and Bleed Procedures" is used during shut in and bleed down of facilities during emergency conditions.

Following the emergency response and notification procedures, a failure investigation is initiated. The failure investigation includes an assessment of written procedures and/or processes used in responding to the event to assess their accuracy and effectiveness and the review of employee response actions to determine the adequacy and effectiveness of those actions. Follow-up actions are documented on DOT Form 3 and tracked to completion.

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.…

§ 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) …
(2) Identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169 (incorporated by reference, see § 195.3).

ExxonMobil's OME Manual, "Section 3.4.2 Cathodic Protection Systems - Operation, Surveillance, and Maintenance" is inadequate as it is not in accordance with requirements in § 195.573(a)(2). The procedure does not include the requirement to identify, not more than 2 years after cathodic protection is installed, the circumstances in which a close- interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169.

ExxonMobil must amend its procedures to include provisions for determining the circumstances in which a close interval survey is practicable and necessary as required in § 195.573(a)(2).

The OME Section 3.4.2 "Cathodic Protection Systems - Operation, Surveillance, and Maintenance" identifies the circumstances in which a close-interval survey or comparable technology is practicable and necessary. The OME Manual states:

The following criteria are subject for review to determine the feasibility and need for using close-interval surveys or comparable technology to assess adequate cathodic protection (CP).

1. *When patterns of low potentials (per NACE SP 0169) are identified in annual pipe-to-soil surveys that are not remedied by repairs or modifications to the CP system,*
2. *When there are significant changes to the area surrounding the pipeline (e.g., construction, new roads or development, installation of pipelines crossing this pipeline, ground/soil conditions),*
3. *When the CP system undergoes significant modification,*
4. *When historical CP data, pipeline coating condition and surrounding environment collectively warrant it, or*
5. *To assess the effectiveness of a new or existing cathodic protection system by obtaining base-line operating CP data.*

The OME Manual Section 3.4.2 will be revised to include the following language:

In accordance with CFR 195.573(a)(2), the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169 will be identified not more than 2 years after cathodic protection is installed.

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.…

§ 195.58 - Report submission requirements.

(a) *General.* Except as provided in paragraphs (b) and (e) of this section, an operator must submit each report required by this part electronically to PHMSA at *http://opsweb.phmsa.dot.gov* unless an alternative reporting method is authorized in accordance with paragraph (d) of this section.
(b) …
(d) *Alternate Reporting Method.* If electronic reporting imposes an undue burden and hardship, the operator may submit a written request for an alternative reporting method to the Information Resources Manager, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, PHP-20,
1200 New Jersey Avenue, SE., Washington DC 20590. The request must describe the undue burden and hardship. PHMSA will review the request and may authorize, in writing, an alternative reporting method. An authorization will state the period for which it is valid, which may be indefinite. An operator must contact PHMSA at 202-366-8075, or electronically to "*informationresourcesmanager@dot.gov*" to make arrangements for submitting a report that is due after a request for alternative reporting is submitted but before an authorization or denial is received.

ExxonMobil's OME Manual, "Section 2.3.6.3 Safety-Related Conditions" is inadequate because it does not provide guidance for submitting safety related condition (SRC) reports as required by § 195.58. ExxonMobil's OME Manual does not describe where and how to submit an SRC report to PHMSA. Although the manual requires ExxonMobil personnel to complete a *DOT Form 3: DOT Facility Event Record* for each potential SRC, neither the manual nor DOT Form 3 include at a minimum the portal website, or the alternate email address or the mailing address, for submitting SRC reports to PHMSA.

ExxonMobil must amend its procedure to provide adequate guidance for submitting SRC reports in accordance with the requirement of § 195.58.

The OME Manual Section 2.3.6.3 "Safety-Related Conditions" describes the rules concerning the identification and reporting of Safety-Related Conditions (SRC). This section outlines the process on how to recognize SRCs, the timing for reporting and the records/reports necessary to various State and Federal agencies.

Section 2.3.6.3 dictates SRCs should be reported immediately following discovery of a potential SRC by completing a DOT Facility Event Record (DOT Form 3), and citing the conditions and steps taken to secure a determination as to whether or not the condition is a reportable SRC. If the potential condition is determined to be a SRC as defined under the regulations, the DOT Subject Matter Expert (SME), with the assistance of field operations and Engineering, will file a SRC Report (DOT Form 5) in the required time frame.

The OME Manual Section 2.3.6.3 will be revised to include the following language:

The DOT SME will submit each report required by 49 CFR 195.58 electronically to PHMSA at http://opsweb.phmsa.dot.gov, unless an alternative reporting method is authorized. Currently electronic reporting does not impose a burden on US Conventional.

However if electronic reporting imposes an undue burden and hardship, US Conventional will submit a written request for an alternative reporting method to the Information Resources Manager, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, PHP–20, 1200 New Jersey Avenue, SE., Washington DC 20590.

If you have any questions, please contact Adolfo Calero, Regulatory Specialist, at adolfo.a.calero@exxonmobil.com or 832-624-2721.

Respectfully submitted,

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ExxonMobil Upstream Oil & Gas, US Conventional