Recd 10/20/08

Chevron

Dale A. Haines
Manager, Oil & Gas
Operations
MidContinent/Alaska

Union Oil Company of California
P.O. Box 196247
Anchorage, AK 99519-6247
Tel 907 263 7951
Fax 907 263 7607
Mobile 907 227 0761
Email daleah@chevron.com

October 13, 2008

Mr. Chris Hoidal
Director Western Region
PHMSA
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: *Compliance* Response to Notice of Amendment CPF No. 5-2008-7004M

Dear Director:

As required by your Notice of Amendment dated September 10, 2008, Union Oil Company of California (UOCC), a Chevron company, hereby submits its 30 day response providing the requested amendments to UOCC's procedures.

Response to Item 1:

UOCC's Hazardous Liquids O&M Manual Chart HL1.01 has been corrected so that the chart reporting criteria states "5 gallons". ***See Attachment 1 - CPF 5-2008-7004M, Chart HL1.01***.

Response to Item 2:

UOCC's Hazardous Liquids O&M Manual Procedure HL1.01, paragraph 6.6 has been revised to include the 30 day notification requirements for supplemental reports. ***See Attachment 2 - CPF 5-2008-7004M, Procedure HL1.01***.

Response to Item 3:

UOCC's Hazardous Liquids O&M Manual Table HL9.01A has been revised to specify internal corrosion mitigation requirements. ***See Attachment 3 - CPF 5-2008-7004M, Table HL9.01A Pipeline Repair - Pipeline Damage or Defect***.

Response to Item 4:

UOCC's Hazardous Liquids O&M Manual Table HL8.02A has been revised to require the use of ASME B31G to determine the maximum operating pressure. ***See Attachment 4 - CPF 5-2008-***

7004M, Table HL8.02A Maximum Pipeline Operating Pressures During Maintenance or Repair Activities.

UOCC respectfully submits this letter of explanation verifying our programs have been amended in the manner requested by your Notice. Our understanding is that this satisfies UOCC's obligations pursuant to the referenced Notice. Please contact Rand Price at (907) 263-7686 with any questions. Thank you for your consideration.

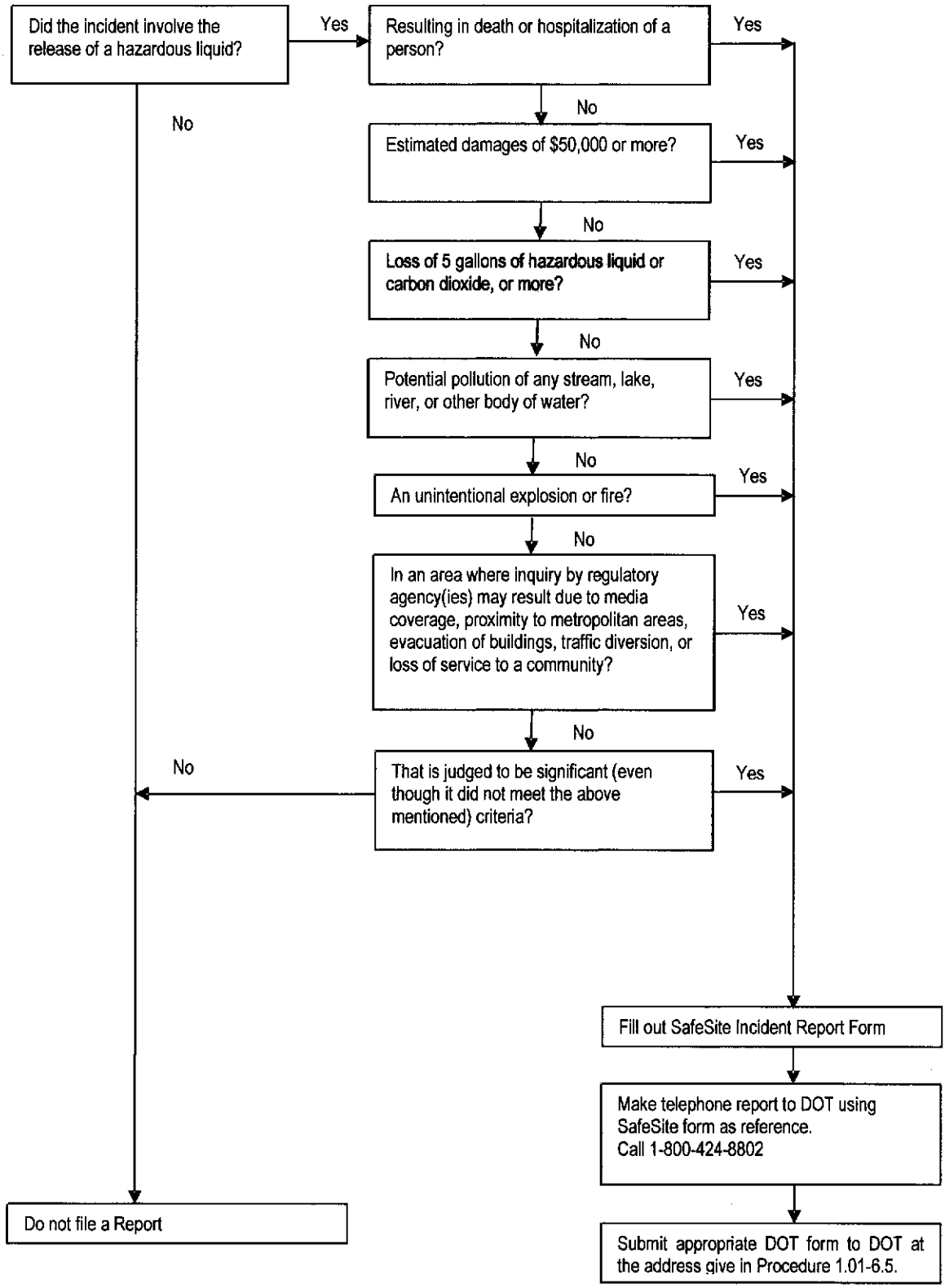
Best Regards,

Tom Kennis for Dale Haines 10/14/08

Dale Haines

cc: John Zager

CHART HL1.01 REPORTING OF INCIDENTS (FEDERAL DOT REPORTING)



HL1.01 REPORTING OF ACCIDENTS

1. REFERENCE

49 CFR, Sections 195.50, 195.52, 195.54, 195.58, 195.60, 195.62, and 195.402(c)(2).

2. PURPOSE

To establish responsibilities for activities associated with Union Oil Company of California's regulated hazardous liquids pipeline facility accidents (refer to Procedure HL1.04 for the definitions of regulated lines). These activities include, but are not limited to, accident control, repair, gathering data needed for reporting in a timely and effective manner, investigation and documentation.

3. RESPONSIBILITY FOR IMPLEMENTATION - ALL PROCEDURES

The (1) Operations Manager is responsible for the documentation and reporting of pipeline facility accidents.

4. DOT REPORT CRITERIA

DOT Form PHMSA F 7000-1 (01-2001) must be completed and submitted to DOT, as soon as practicable but not later than 30 days after discovery of a hazardous liquids pipeline accident, where a release of hazardous liquid occurs, resulting in:

4.1 Explosion or fire not intentionally set by the operator;

4.2 Release of 5 gallons or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels resulting from pipeline maintenance activity if the release is:

- 4.2.1 Not otherwise reportable under this section;
- 4.2.2 Does not resulted in pollution of any stream, river, lake, reservoir, or other similar body of water that violated applicable water quality standards, caused a discoloration of the surface of the water or adjoining shoreline, or deposited a sludge or emulsion beneath the surface of the water or upon adjoining shorelines;
- 4.2.3 Is confined to company property or pipeline right-of-way; and
- 4.2.4 Is cleaned up promptly;

4.3 Death of any person;

4.4 Personal injury necessitating hospitalization;

4.5 Estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding $50,000.

5. DOT TELEPHONE REPORT CRITERIA

5.1 At the earliest practicable moment following the discovery of a hazardous liquid or carbon dioxide release meeting at least one of the criteria below (see Chart 1.01), **the DOT must be contacted by telephone through the National Response Center at (800) 424-8802** and notified of any failure that:

5.1.1 Caused a death or a personal injury requiring hospitalization;

5.1.2 Resulted in either a fire or explosion not intentionally set by the operator;

5.1.3 Caused estimated damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding $50,000.

5.1.4 Resulted in pollution of any stream, river, lake, reservoir, or other similar body of water that violated applicable water quality standards, caused a discoloration of the surface of the water or adjoining shoreline, or deposited a sludge or emulsion beneath the surface of the water or upon adjoining shorelines; or

5.1.5 In the judgment of the (2) Production Foreman was significant even though it did not meet the criteria of any other paragraph of this section.

5.2 The *SafeSite Incident Report Form* is an example of a checklist intended to assure accurate conveying and recording of information transmitted by telephone. Refer to Appendix A, Incident Process Flowchart, in SPS-6.1 Incident Investigations.

6. PROCEDURE

6.1 Union Oil Company of California First Responder responsibilities include the following:

6.1.1 Establish initial control of the accident.

6.1.2 Immediately after initial control is established and a preliminary assessment of conditions can be made, notify the (4) Production Foreman, if not present, his designee, and report those incidents meeting one of the Reporting Criteria listed above in Sections 4 and 5 of this procedure.

6.1.3 Survey the immediate adjacent areas and take necessary steps to minimize public exposure to injury and any potential of accidental ignition by halting or diverting traffic on roads and railroads. Determine if immediate isolation of the affected areas is needed up to and including evacuation. Local law enforcement agencies can assist in this area. Factors to consider in this initial survey include:

A. Type and quantity of liquid released or spilled

B. Released stopped or still ongoing

C. Accessibility to the spill site
D. Flammability and toxicity of the material, refer to Material Safety Data Sheet
E. Weather conditions, wind speed and direction
F. Oceanographic conditions
G. Nearby ignition sources
H. Nearby receptors such as storm drains, sewers, schools, public buildings, nearby residences, lakes, rivers, steams, etc.

6.1.4 If necessary, isolate the pipeline following the procedure outlined in the Pipeline Specific Operations Manual.

6.2 The (5) Production Foreman or his designee will **report accidents** meeting the DOT Telephone Report Criteria **by telephone to (800) 424-8802** at the earliest practicable moment following the discovery of a release of the hazardous liquid. Use the *SafeSite Incident Report Form* to convey the required information. Report shall include the following information:

6.2.1 Name and address of the operator (Union Oil Company of California).
6.2.2 Name and telephone number of person making report.
6.2.3 The location of accident or failure.
6.2.4 The time of the accident or failure.
6.2.5 The number of fatalities and personal injuries, if any.
6.2.6 All other significant facts that are known to be relevant to the cause of the incident or extent of the damages.

6.3 The responsibilities of the (6) Production Foreman includes the following:

6.3.1 Receive telephone reports of those incidents meeting one of the above-listed accident reporting criteria. Communicate the situation to designated people within the Business Unit Office.
6.3.2 Coordinate all on-site activities including such things as repair, responding to reporters, preservation of evidence and materials, internal reporting and documentation of events and actions.
6.3.3 Secure the site and maintain it undisturbed if possible, until the appropriate Company representative is on site. If the site cannot be left undisturbed, document the site and incident details and preserve the site and details as indicated in the appropriate emergency plan or in Investigation of Failures and Accidents (Procedure 1.03).
6.3.4 Documentation and/or investigation of incidents as necessary to meet operational requirements. Submit the *SafeSite Incident Report Form* to the (8) HES Technician as soon as possible.
6.3.5 Arrange for interviews of employees as required.
6.3.6 Arrange for the shipment of defective/damaged materials or evidence to specified locations.
6.3.7 Arrange for outside professional services to assist in an investigation (e.g., corrosion specialist, land surveyor, metallurgist, or welding engineer) if deemed necessary.

6.3.8 Analyze field data collected, operating history of facility and results of lab testing to establish cause of failure or condition and write reports as necessary.

6.3.9 Provide recommendations for operational changes or facility modifications as appropriate.

6.3.10 Receive requests for data, information or on-site investigation and respond to those requests after collaboration with other persons (Operations, Safety, Security, and Legal staff) as determined necessary or appropriate.

6.3.11 Provide on-site investigation of accidents meeting one of the Reporting Criteria, on a case by case basis.

6.4 Union Oil Company of California Law Department may review written recommendations for operational procedure changes prior to issuing field use.

6.5 The (12) DOT Coordinator shall prepare the accident report meeting one of the DOT Accident Report Criteria by submitting Department of Transportation Form PHMSA F 7000-1 (01-2001) (may be obtained from the address below or from the OPS website) to the (13) Operations Manager to allow ample time for review prior to the DOT Deadline. The (14) DOT Coordinator shall submit the completed form as soon as practical but not more than thirty (30) days after detection of a reportable incident to DOT on line at the *OPS Online Data Entry and Operator Registration System* website or to the following address:

Information Resources Manager
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
1200 New Jersey Avenue, SE
East Building, 2nd Floor
Washington, DC 20590

Form PHMSA F 7000-1 (01-2001) consists of 4 pages. For small spills (between 5 gallons and 5 barrels) not otherwise reportable under paragraph 4, DOT ACCIDENT REPORT CRITERIA, nor resulting in water pollution as described under paragraph 5, DOT TELEPHONE REPORT CRITERIA, complete only page one.

For spills of 5 or more gallons resulting in water pollution, or 5 or more barrels; or reportable by other criteria under paragraph 4, DOT ACCIDENT REPORT CRITERIA complete as much of the 4 pages as possible within the 30 day reporting period.

Note: All relevant costs must be included in the estimated property damage total on the initial written accident report as well as supplemental reports. This includes, but is not limited to, costs due to property damage to the operator's facilities and to property of others, commodity/product not recovered, facility repair and replacement (including fittings used during repair which become permanently attached to the system), leak locating, right-of-way clean up and environmental clean up and damage. Facility repair, replacement or change that is not related to the accident, but is done by the operator as a matter of convenience (for example, to take advantage of access to facilities unearthed because of the accident) should not be included.

6.6 Where additional related information is obtained after a report is submitted, the (15) DOT Coordinator shall submit a supplemental report using Form PHMSA F 7000-1 as soon as practical, but no later than thirty (30) days after acquiring the additional information with a clear reference to the National Response Center Incident Number, date and subject contained in the original report.

6.7 For intrastate pipelines, and in states where the state is an Agent for DOT, a report must be submitted in duplicate to the State agency if the regulations of that agency require submission of these reports. Provide for further transmittal of one copy, within ten (10) days for incident reports, to the Information Resources Manager.

6.8 Submit copies of all accident reports to other agencies if applicable and to the appropriate Chevron and Union Oil Company of California offices.

7. RELATED PROCEDURES

HL1.02	Reporting of Safety Related Conditions
HL1.03	Investigation of Accidents
HL3.04	Preparation of an Emergency Plan
HL3.06	Preparation of a Pipeline Specific Operations Plan (PSOM)

8. RECORDS

The (16) DOT Coordinator shall maintain the official files on incidents meeting one of the Reporting Criteria that are reported to outside agencies.

TABLE HL9.01A PIPELINE REPAIR - PIPE DAMAGE OR DEFECT

DAMAGE OR DEFECT	DISPOSITION OF CONDITION	
	UN-PRESSURIZED	PRESSURIZED
DENT ON:		
Welds	C	E, P, CS™
Body of pipe 12" or less nominal diameter:		
Depth greater than 1/4":	C	E, P, CS™
Body of pipe larger than 12" nominal diameter: 2% or more of nominal diameter	C	E, P, CS™
Groove, gouge or scratch with remaining wall thickness: Less than Design Wall Thickness	C	E, P, CS™
Welds:		
No Leak	X	E, P, CS™
With Leak (See Note 1)	X	E, P
General Corrosion:		
No Leak	C	C, M, CS™
Localized Corrosion Pitting:	C	E, C, M, P, CS™
With Leak (See Note 1)	C	L, E, P
Internal Corrosion	C	E, M, P
With Leak (See Note 1)	C	L, E, P
All Other Leaks (See Note 1)	C	E, P

LEGEND:	
C	Cutting out a cylindrical piece of pipe and replacing it with protested pipe of similar or greater design strength.
E	Full encirclement, welded split sleeve of appropriate design.
L	Leak clamp.
M	Establish new maximum operating pressure base on the actual remaining wall thickness
P	Plidco sleeve or equivalent (offshore or submerged).
X	Cut out repair per applicable code and standard.
CS™	Clock spring Wrap™ or other Composite Material Wrap of equal design (see Note 2).

Notes:

(1) Either the sleeve or the leak clamp is to be removed and replaced by a cylindrical piece as soon as it is feasible to take the piping out of service.

(2) Reliable engineering analysis must verify that using a composite wrap repair can permanently restore pipeline serviceability due to dents, gouges, welds, or external corrosion defects.

TABLE HL8.02A MAXIMUM PIPELINE OPERATING PRESSURES DURING MAINTENANCE OR REPAIR ACTIVITIES

(Percent of MOP)

	Pipeline Condition		
		Damage from	
	No Damage	External Force or Corrosion	
Type of Activity	**Not Leaking**	**Not Leaking**	**Leaking**
No Activity (Pipe Back Filled)	100	65	65
No Activity (Pipe Exposed) (3)	100	65 (5)	65 (5)
Excavation (4)	80	65 (5)	65 (5)
Welding	100 (5)	(5) (6)	(5) (6)
Stoppling	65	N/A	N/A
Any Other Activity	80	(5)	(5)

Notes:

(1) Hot tapping should be done in compliance with the facility Safe Practice Standard for Hot Taps.

(2) Formulas shown are derived from ASME B31.8 (Gas Transmission Lines) and Federal Register 49 CFR 195.106(e).

(3) This Table is not intended to apply to creek crossings and similar normal instances where pipe may be exposed. It applies when listed or similar activities are discontinued or completed and the line has not been back filled.

(4) Excavation restrictions do not apply when the pipe is exposed for three (3) feet or less of pipe length, to allow for over or under crossings of utilities or drain tile, or other similar operations.

(5) **Not more than 80% of the actual pressure at time of damage or leak, or as determined according to ASME B31G, whichever is less.**

(6) $P = (2S (t-0.100) / D) \times E \times F$

Where,

P = Pressure
S = Specified Minimum Yield Strength
t = Actual Wall Thickness (verify by U.T.)
D = Diameter
E = Seam Joint Factor per 49 CFR 195.106(e)
F = Design Safety Factor = 0.72 All pipe except those below
= 0.60 Pipe on offshore or inland navigable platforms