



June 23, 2009

Mr. Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: CPF 5-2009-5001

Via Overnight Mail

Dear Mr. Hoidal:

Your office conducted an inspection of our Sidney, Montana pipeline system in July, 2008. As a result of this inspection you issued a Notice of Probable Violation and Proposed Compliance Order for three items which required remedial action. On February 9, 2009, SemStream, L.P. sent you a letter outlining actions SemStream had either taken or planned to take to remedy the alleged violations. The purpose of this letter is to provide follow-up information as indicated in our February 9, 2009 letter. The remaining two open items and SemStream's remedy are as follows:

195.230 Welds: Repair or removal of defects.

(a) Each weld that is unacceptable under 195.228 must be removed or repaired. Except for welds on an offshore pipeline being installed from a pipe lay vessel, a weld must be removed if it has a crack that is more than 8 percent of the weld length.

SemStream failed to repair weld numbers 999 and 960 during construction of their Sidney HVL Pipeline System when these welds were found to be unacceptable.

SemStream construction records for their HVL Pipeline System reveal that two (2) butt welds (numbers 999 and 960) were rejected because of low caps. SemStream had no record of the repair of these two welds.

RESPONSE:

As per the plan outlined in our response dated February 9, 2009, SemStream has excavated welds 999 and 960, inspected them and documented the condition of the welds. Based on the inspection made by TK Inspection Services, neither weld required additional repair. Photographs of the welds as well as the inspection report from TK Inspection Services is attached.

195.577 What must I do to alleviate interference currents?

(a) For pipelines exposed to stray currents, you must have a program to identify, test for, and minimize the detrimental effects of such currents.

SemStream appears to have stray current on their HVL Pipeline system.

SemStream performed a native CP survey shortly after construction of their Sidney HVL pipeline. Data for that survey shows native potentials for all but the facilities to be around -700 mV.

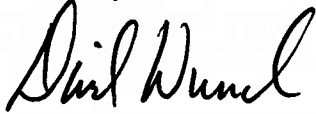
RESPONSE:

As outlined in our February 9, 2009 letter, SemStream has conducted a close interval survey of the pipeline system. As indicated on the attached report, no additional cathodic work is required.

Based on the information provided in this follow-up, SemStream respectfully requests that these two probable violations be withdrawn.

Should you need additional information please contact Edith Coen, DOT Compliance Manager at 918-640-3384.

Sincerely,



David Wunch
Executive Vice-President
SemStream, LP

Cc: John Fansher
John Christensen

Dave Scherrman

Edith Coen