

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 24, 2009

Mr. Craig Forsander
Vice President
ONEOK/Bear Paw Energy, LLC
100 West 5th Street
Tulsa, OK 74103

CPF 5-2009-5026W

Dear Mr. Forsander:

On July 28 through 31, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Riverview Pipeline in Sidney, Montana. As part of that inspection, our PHMSA representative reviewed your Operations and Maintenance Manual, implementing records, and the field condition of your pipeline facilities.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §195.403 Emergency Response Training.

(b) At intervals not exceeding 15 months, but at least once each calendar year, each operator shall:

(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and

(2) Make appropriate changes to the emergency response training program as necessary to insure that it is effective.

Per §195.403(b), the Operator must conduct a review with emergency response personnel to ensure that they are meeting the objectives of their emergency response training program at least once each calendar year and at intervals not exceeding 15 months. Furthermore, Part §195.404(c) requires the Operator to maintain a record of each review in according to Part §195.403(b). During the inspection, Bear Paw Energy's records pertaining to the review of their employee's performance on emergency response training were not clearly defined or documented.

2. §195.403 Emergency Response Training.

(c) Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under §195.402 for which they are responsible to ensure compliance.

The Operator must verify that each supervisor maintains a thorough knowledge of the emergency response procedures for which they are responsible. Furthermore, Part §195.404(c) requires the Operator to maintain a record of each verification according to Part §195.403(c). During the inspection, Bear Paw Energy's records pertaining to the names of supervisors who have been verified as having thorough knowledge of their emergency procedures were not clearly documented.

3. §195.428 Overpressure safety devices and overfill protection systems.

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 ½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Per §195.428(a), the Operator must inspect and test each overpressure safety device at least twice each calendar year and at intervals not exceeding 15 months for highly volatile liquids pipeline (HVL). Furthermore, Part §195.404(c) requires the Operator to maintain a record of each test in according to Part §195.428(a). During the inspection, Bear Paw Energy's records pertaining to the inspection and testing of their two thermal relief valves at the Grasslands Complex were not completed. Bear Paw Energy did not provide evidence that the inspection and testing of each relief valve was completed.

4. §195.116 Valves.

Each valve installed in a pipeline system must comply with the following:

(e) Each valve other than a check valve must be equipped with a means for clearly indicating the position of the valve (open, closed, etc.).

Per §195.116(c), the Operator must install each valve other than a check valve in a pipeline system that is equipped with a means for clearly indicating the position of the valve. During the field inspection portion, the upstream Yellowstone Block Valve did not clearly indicate the valve position. Bear Paw Energy did not comply with Part §195.116(e) because each valve that is installed in a pipeline system must be equipped with a means for clearly indicating the position of the valve.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Bear Paw Energy/ONEOK being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2009-5026W**. 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).

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 G. Davis/M. Petronis (#120772)