

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 16, 2009

Mr. John Traeger
Manager of Pipelines and Terminals
Front Range Pipeline, LLC
803 Highway 212 South
Laurel, MT 59044

CPF 5-2009-5037W

Dear Mr. Traeger:

On June 15-18, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Front Range Pipeline from the Montana/Canada Border north of Cut Bank, Montana to the Laurel Terminal in Laurel, Montana.

As a result of the inspection, it appears that Front Range Pipeline, LLC has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

- 1. 195. 583 What must I do to monitor atmospheric corrosion control?**
 - (a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:**

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months
Offshore	At least once each calendar year, but with intervals not exceeding 15 months

- (b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.**
- (c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by Sec. 195.581.**

During the field inspection of the receiver barrel at the Raynesford Pump Station, atmospheric corrosion was visible at the pipe and pipe support interfaces. In addition, it did not appear that Front Range Pipeline had performed atmospheric corrosion evaluation or mitigation activity at these pipe supports. Front Range Pipeline must periodically inspect these pipe locations by temporarily lowering the pipe supports and checking for coating damage and evidence of corrosion. If coating damage and/or evidence of corrosion is observed, appropriate actions should be promptly taken to repair the coating damage and/or corrosion.

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 violation. 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 identified in this letter. Failure to do so will result in Front Range Pipeline, LLC 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 5-2009-5037W**. 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 M. Petronis (#123894)