

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 1, 2014

Mr. Joe Neave
VP Safety and Regulatory Compliance
Williams Field Services Company
2800 Post Oak Blvd.
Houston, TX 77056

CPF 5-2014-5013W

Dear Mr. Neave:

On July 22, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code investigated a July 21, 2014 release and fire from Williams Field Services Company's (Williams) Overland Pass Natural Gas Liquids (NGL) pipeline. The incident occurred at your South Platte Block Valve # 503 near Kersey, Colorado.

The release spilled a reported maximum volume of 2077 barrels of NGLs per the National Response Center incident report # 1089797. PHMSA understands that the local Fire Department notified Williams of the fire at the South Platte block valve at 2:10 pm MDT on July 21, 2014, which was a few minutes after Williams Control Room personnel had identified an abnormal condition occurring on this line. PHMSA understands that a significantly less volume of NGLs was actually released and all released materials were consumed by the fire. The probable cost of the estimated property damage including cost of cleanup and recovery, value of lost product, and damage to your property quickly should have been estimated to exceed \$50,000.

As a result of the investigation, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The probable violation is:

1. §195.52 Immediate notice of certain accidents.

(a) Notice requirements. At the earliest practicable moment following discovery of a release of the hazardous liquid or carbon dioxide transported resulting in an event described in § 195.50, the operator of the system must give notice, in accordance with paragraph (b) of this section, of any failure that:

- (1) Caused a death or a personal injury requiring hospitalization;**
- (2) Resulted in either a fire or explosion not intentionally set by the operator;**
- (3) Caused estimated property damage, including cost of cleanup and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding \$50,000;**
- (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) In the judgment of the operator was significant even though it did not meet the criteria of any other paragraph of this section.**

Further, PHMSA issued Advisory Bulletin ADB 2013-01 in the Federal Register on January 30, 2013, the purpose of which was to advise owners and operators of gas and hazardous liquids pipeline systems and LNG facilities that they should contact the NRC within one hour of discovery of a pipeline incident and should also file additional telephonic reports if there are significant changes in the number of fatalities or injuries, product release estimates or the extent of damages.

On Monday, July 21, 2014, at 8:41pm Mountain Daylight Time (MDT) a representative of Williams notified the National Response Center (NRC) of the release which occurred on your Overland Pass NGL pipeline earlier that day at 2:10 pm MDT. The NRC Report (#1089797) reveals that it took 6 hours and 31 minutes for Williams to report the incident to the NRC after they confirmed the release. Per §195.52 and the above referenced Advisory Bulletin, Williams was required to notify the NRC within 1 hour of the confirmed release.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 items identified in this letter. Failure to do so will result in WILLIAMS 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 5-2014-5013W**. 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 P. Katchmar (#147299)