Chevron Pipe Line Company

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July 18, 2016

Electronic Transmittal

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

RE: Chevron Pipe Line Company – Federal OPID No. 02731
Warning Letter, CPF No. 5-2016-5004W

Dear Mr. Hoidal:

On July 8, 2016, Chevron Pipe Line Company ("CPL") (Federal OPID No. 02731) received a Warning Letter, CPF No. 5-2016-5004W ("WL"), dated July 5, 2016, from the Pipeline and Hazardous Materials Safety Administration ("PHMSA"). The WL is in response to a July 13 - 16, 2015 PHMSA inspection of records pertaining to the CPL owned and operated Rangely-to-Salt Lake Crude Pipeline System.

In the WL, PHMSA alleges that, during a December 12, 2013 In-Line Inspection verification dig of the above pipeline, CPL failed to investigate and document whether internal condition existed circumferentially and longitudinally beyond the removed pipe section. By this letter, CPL confirms that, to avoid this type of issue from re-occurring, CPL's Field Data Collection ("FDC") application was modified in 2015 to prevent CPL personnel from completing the exposed pipe inspection report until the internal inspection is performed and documented (see Attachment A).

It is always CPL's intent to comply with all PHMSA and other regulatory requirements, as well as to address any known findings/deficiencies when identified by PHMSA. It is my hope that we have addressed PHMSA's concerns regarding this issue.

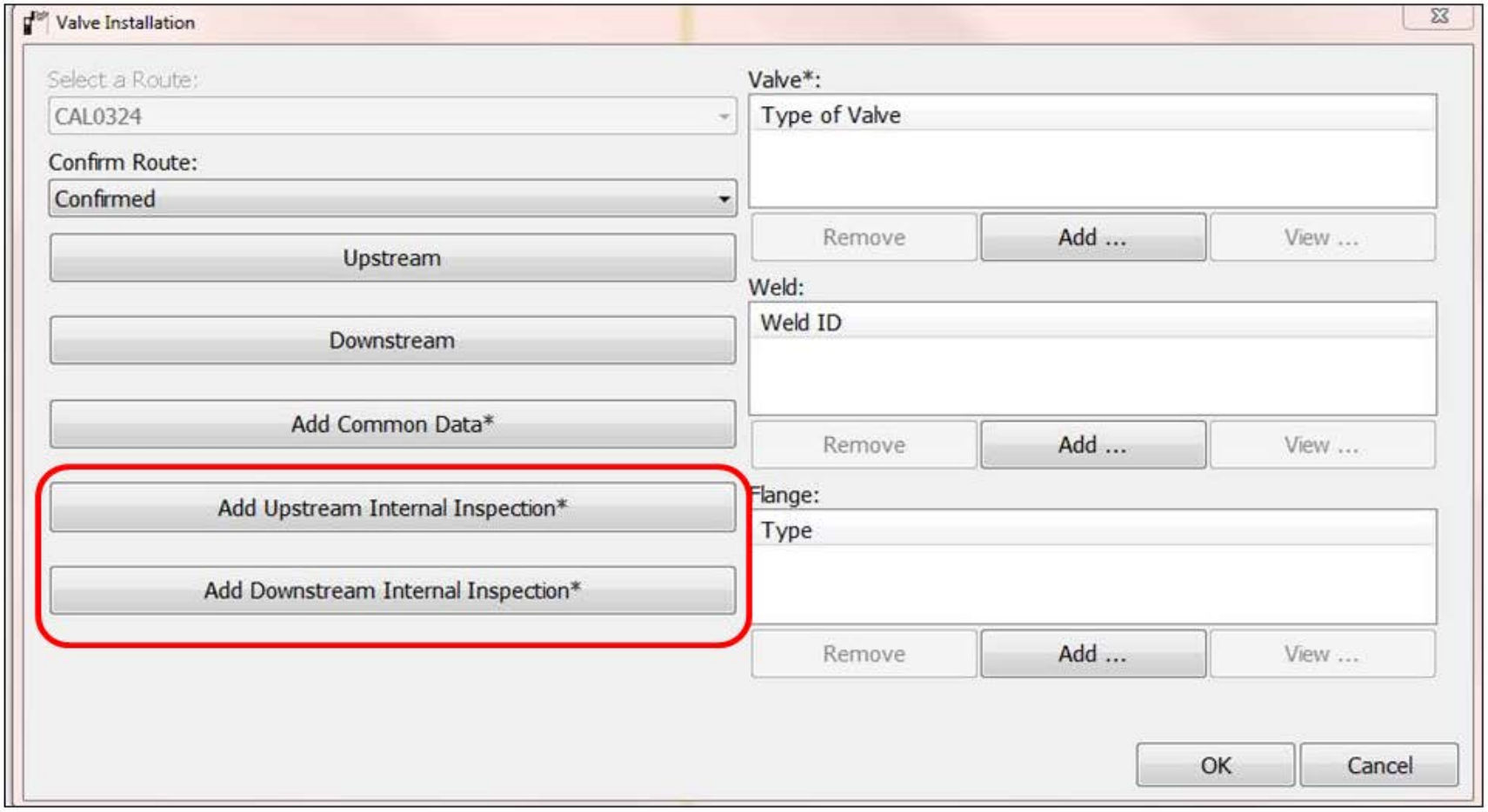
Respectfully,

Attachment

Electronic Transmittal
cc: L.A. Shreder
P.T Green
S. Molloy
G.M. Saenz
W.E. Wied

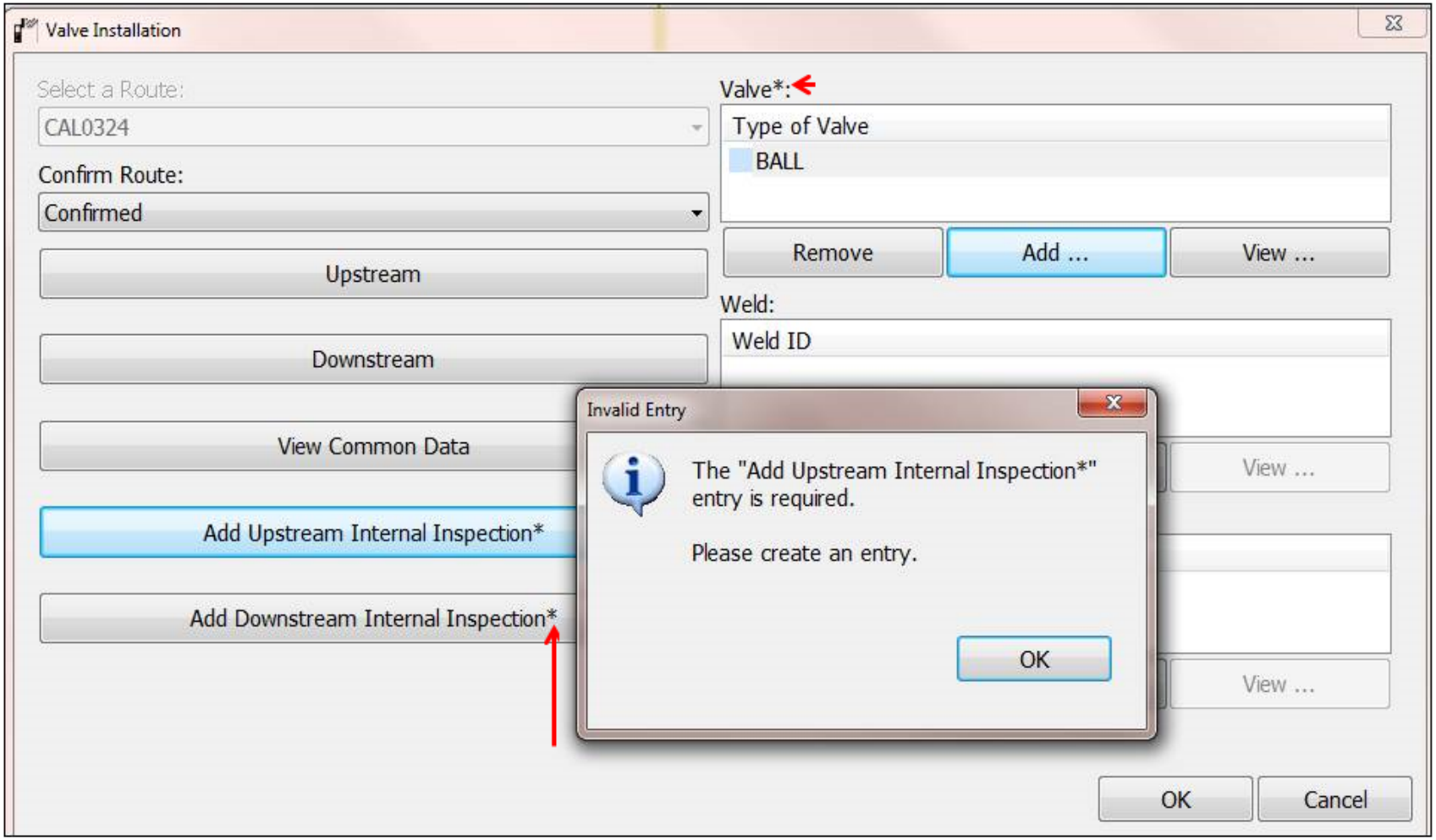
ATTACHMENT A

There are 2 scenarios in Field Data Collection (FDC) application that trigger Internal Pipe Condition. Valve installed and Pipe Replacements (cut outs). When Field Personnel (User) initiate these types of field data collections they must do 2 Internal Inspections, one inspecting the upstream direction and one inspecting the downstream direction of the remaining pipe as seen below.



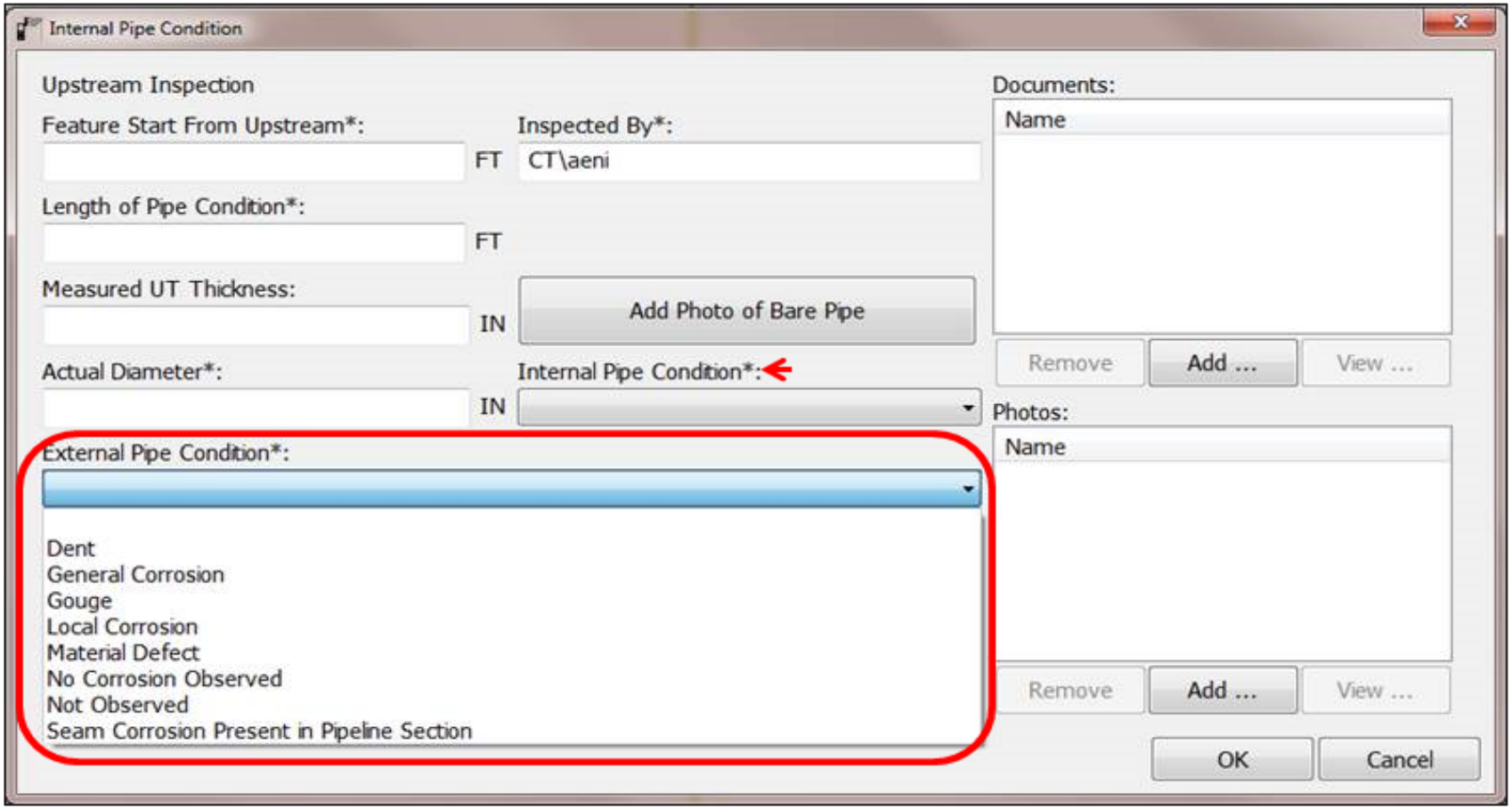
ATTACHMENT A

Notice the asterisks next to the titles of the form. They indicate that these sections are required fields. The user cannot successfully save the data until this section is complete. If the user does not create an entry, a pop up screen will display reminding the user to create an entry. See below:

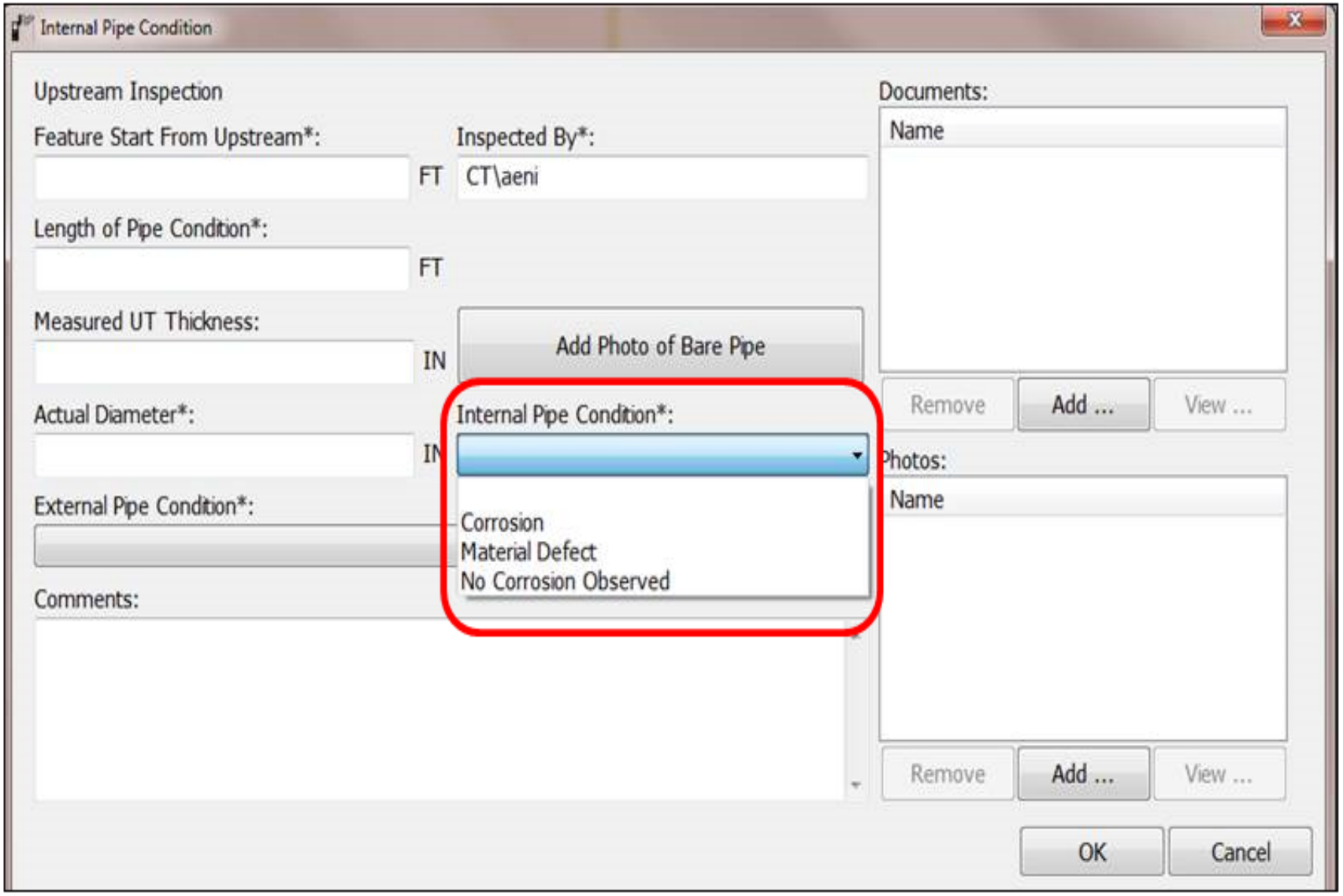


ATTACHMENT A

Below is the Internal Pipe Condition form. This is the form in which the User records internal and external pipe condition. Also displayed are the drop downs from which the User can choose to properly record pipe condition. This form also contains required fields (*).

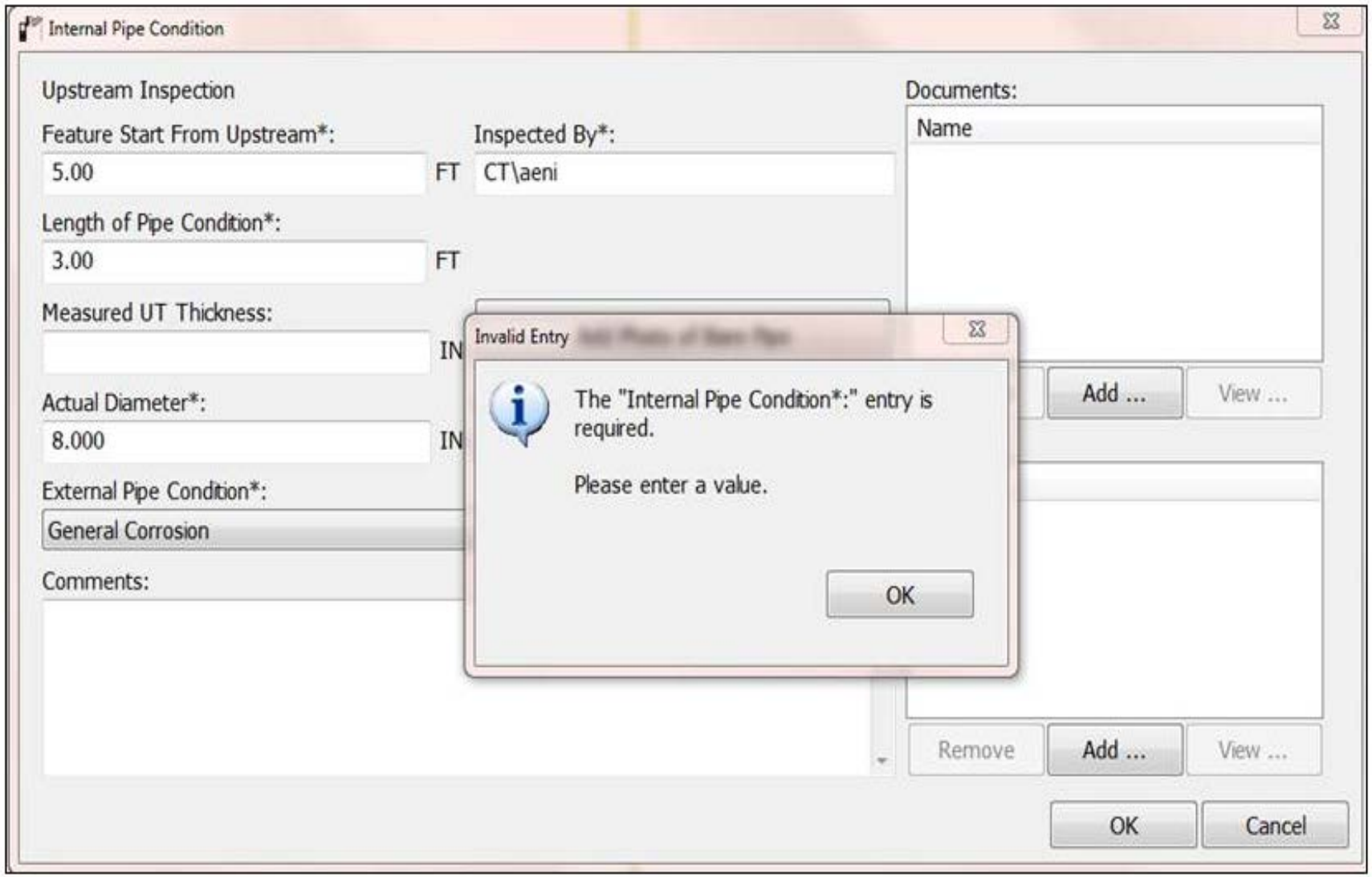


ATTACHMENT A



ATTACHMENT A

If a User does not fill out all required fields a pop up screen will advise them which section of the form is missing an entry. See below:



ATTACHMENT A

Additional Data Security

Another form of validation and review is the Approval workflow. Every FDC that is recorded goes through a validation and approval process. The review is done by a trained CPL employee who is a subject matter expert on the FDC. Each approver has a different role and responsibility with the ability to approve the entry or return it back to the user for correction or missing documentation.

This version of FDC was deployed in mid-June 2015. The prior version of FDC did not have the software design to force the User in the field to execute an Internal Inspection whereas this version does.