Abbreviated Procedures

STANDARD INSPECTION REPORT OF A LIQUID PIPELINE CARRIER

Unless otherwise noted, all code referenes are to 49CFR Part 195. S – Satisfactory U – Unsatisfactory N/A – Not Applicable N/C – Not Checked
If an item is marked U, N/A, or N/C, an explanation must be included in this report.

A completed **Standard Inspection Report** is to be submitted to the Director within 60 days from completion of the inspection. A **Post Inspection Memorandum (PIM)** is to be completed and submitted to the Director within 30 days from the completion of the inspection, or series of inspections, and is to be filed as part of the **Standard Inspection Report.**

Inspection Report	Post Inspection Memorandum
Inspector/Submit Date: _____	**Inspector/Submit Date:** _____ **Peer Review/Date:** _____ **Director Approval/Date:**

POST INSPECTION MEMORANDUM (PIM)	
Name of Operator:	**OPID #:**
Name of Unit(s):	**Unit # (s):**
Records Location:	
Unit Type & Commodity:	
Inspection Type:	**Inspection Date(s):**
PHMSA Representative(s):	**AFO Days:**

Summary:
NOTE - THIS PAGE DOES NOT NEED TO BE COMPLETED IF A SEPARATE PIM IS SUBMITTED

Findings:
:

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Name of Operator: ExxonMobil Pipeline Company	
OP ID No. [1] **4906**	**Unit ID No.** [1] **1255**
H.Q. Address:	**System/Unit Name & Address:** [1]
ExxonMobil Pipeline Company 800 Bell Street Houston, TX 77002	ExxonMobil Pipeline Company 110 Cemetery Road Bridger, MT 59014
Co. Official: Patrick Doolan	**Activity Record ID#:** 123899
Phone No.: 713-656-2227	**Phone No.:**
Fax No.: 713-656-2170	**Fax No.:**
Emergency Phone No.:	**Emergency Phone No.:**

Persons Interviewed	Titles	Phone No.
Guy Peltier	Pipeline Safety Advisor	(713) 656-3504
Larry (Doc) Hawthorne	Training Advisor	(903) 879-0313
Jeb Montgomery	Area Superintendent	(406) 657-5400
Steve Everett	Technician Leader	(406) 670-7520
James Althoff	Senior Technician	(406) 671-1108

PHMSA Representative(s) [1] **Michael Petronis** **Inspection Date(s)** [1] **July 27 - July 30, 2009**

Company System Maps (copies for Region Files): No

Unit Description:

The Silvertip Pipeline delivers crude oil from the Silvertip Station (Elk Basin) in extreme southern Montana east of Belfry to the ExxonMobil Refinery in Billings, MT. The pipeline is able to receive crude oil from Kinder Morgan's Edgar Station (Express Pipeline) and from the CHS Refinery in Laurel, MT.

Pipeline Name	Silvertip Pipeline
Commodity Transported	Crude Oil
Length	69 miles
OD	8.625 in, 12.75 in
WT	0.312 in, 0.322, 0.250 in, 0.375 in, 0.500 in
Grade	X35, X42
MOP	960 psig
Year of Construction	1949, 1952, 1954, 1957, 2005
Origination Station	Silvertip Station
Intermediate Station(s)	Edgar Station (Terasen Express/Kinder Morgan) – Injection CHS Refinery (Laurel, MT) - Injection
Terminal Station	ExxonMobil Refinery (Billings, MT)
Key HCA Locations	Clarks Fork of the Yellowstone, Yellowstone River
Breakout Tanks	5 tanks are located at Silvertip Station which receive crude oil from Marathon Pipeline. ExxonMobil claims that these are not breakout tanks due to the change of ownership of the oil.

[1] Information not required if included on page 1.

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Portion of Unit Inspected [1]
Silvertip Station
Several spans between Silvertip and the Clarks Fork of the Yellowstone
Mainline valve upstream of the Clarks Fork of the Yellowstone
Clarks Fork of the Yellowstone crossing
Mainline valve downstream of the Clarks Fork of the Yellowstone
Several spans between the Clarks Fork of the Yellowstone and Laurel
Several mainline valves between the Clarks Fork of the Yellowstone and Laurel
Edgar Station
Mainline valve upstream of Rock Creek
Rock Creek crossing
Mainline valve downstream of Rock Creek
Pipeline right of way through two housing developments several miles south of Laurel
Laurel Station
Mainline valve upstream of the Yellowstone River near Laurel
Yellowstone River crossing near Laurel
Mainline valve downstream of Yellowstone River near Laurel
Spans over Canyon Creek
Entire pipeline right of way between Canyon Creek and ExxonMobil Refinery
Railroad crossing near King Avenue
Laurel Road crossing in Billings
Launcher/Receiver at Billings Meter Station at the Conoco Refinery
Mainline valve upstream of the Yellowstone River in Billings
Yellowstone River crossing in Billings
Mainline valve downstream of Yellowstone River in Billings
Incoming piping/receiver/pressure relief line at the ExxonMobil Refinery
Numerous p/s readings along the entire pipeline

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For hazardous liquid operator inspections, the attached evaluation form should be used in conjunction with 49 CFR 195 during PHMSA inspections. For those operators, procedures do not have to be evaluated for content unless: 1) new or amended regulations have been placed in force after the team inspection, or 2) procedures have changed since the team inspection. Items in the procedures sections of this form identified with "*" reflect applicable and more restrictive new or amended regulations that became effective between 03/23/04 and 03/23/09.

Western Region: Conducted abbreviated procedures inspection on 195 Operations and Maintenance Items that changed since the last inspection. Items that were included in the operator's O & M Manual at the previous inspection (as per date entered below) may be marked with a "1" in the N/C column to reflect the standard "Note 1" in the Comments blocks. Records And Field Item Will Be Inspected As Per A Routine Inspection.

(check one below and enter appropriate date)

Yes	Team inspection was performed (Within the past five years.) or,	Date:	4/2007
No	Western Region Inspector reviewed the O & M Manual (Since the last yearly review of the manual by the operator.)	Date:	

	CONVERSION TO SERVICE	S	U	N/A	N/C
* .5	Has a written procedure been developed addressing all applicable requirements and followed? Amt. 195-86 Pub. 06/09/06 eff. 07/10/06. ExxonMobil has not converted the service of the Silvertip Pipeline System			X	

	REGULATED RURAL GATHERING LINES	S	U	N/A	N/C
* .11	Regulated Rural Gathering Lines as defined in 195.11(a) must comply with the safety requirement outlined in 195.11(b). Amt. Pub. 06/03/08 eff. 07/03/08.				

	LOW-STRESS PIPELINES IN RURAL AREA	S	U	N/A	N/C
* .12	Regulated Low-stress Pipelines in Rural Area as defined in 195.12(a) must comply with the safety requirement outlined in 195.12(b). Amt. Pub. 06/03/08 eff. 07/03/08.				

Comments:

Legend for entire document

1= Did not have time to review the manuals or all of the records

2 =Records not available

	SUBPART D – WELDING, NDT, and REPAIR /REMOVAL PROCEDURES		S	U	N/A	N/C
Compliance with welding requirements for pipe replaced or repaired in the course of pipeline maintenance is required by ' 195.422 and ' 195.200.						
.402(c)/ .422 *	.214(a)	Are welding procedures qualified in accordance with Sec. 5 of API 1104 or Section IX of ASME Boiler & Pressure Code? Amdt. 195-81 Pub. 6/14/04, eff. 7/14/04.				1
*	.222(a)	Welders must be qualified in accordance with **Section 6 of API Standard 1104 (19th Ed., 1999)** or **Section IX of the ASME Boiler and Pressure Vessel Code**(2004 Ed. Including addenda through July 1, 2005), except that a welder qualified under an earlier edition than listed in **' 195.3** may weld, but may not requalify under that earlier edition. Amdt 195-81 pub. 6/14/04, eff. 7/14/04.; Amdt 195-81 corr. Pub. 9/09/04; Amt 195-86 Pub. 06/09/06 eff. 07/10/06.				1
	Nondestructive Testing Procedures					
*	.228 /.234	Do procedures require welds to be nondestructively tested to ensure their acceptability according to **Section 9 of API 1104 (19th)** and as per **195.228(b)** and per the requirements of **195.234** in regard to the number of welds to be tested? Amdt 195-81 Pub. 6/14/04, eff. 7/14/04.				1

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(check one below and enter appropriate date)

Yes	Team inspection was performed (Within the past five years.) or,	Date:	4/2007
No	Western Region Inspector reviewed the O & M Manual (Since the last yearly review of the manual by the operator.)	Date:	

	CONVERSION TO SERVICE	S	U	N/A	N/C
* .5	Has a written procedure been developed addressing all applicable requirements and followed? Amt. 195-86 Pub. 06/09/06 eff. 07/10/06. ExxonMobil has not converted the service of the Silvertip Pipeline System			X	

	REGULATED RURAL GATHERING LINES	S	U	N/A	N/C
* .11	Regulated Rural Gathering Lines as defined in 195.11(a) must comply with the safety requirement outlined in 195.11(b). Amt. Pub. 06/03/08 eff. 07/03/08.				

	LOW-STRESS PIPELINES IN RURAL AREA	S	U	N/A	N/C
* .12	Regulated Low-stress Pipelines in Rural Area as defined in 195.12(a) must comply with the safety requirement outlined in 195.12(b). Amt. Pub. 06/03/08 eff. 07/03/08.				

Comments:
Legend for entire document
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2 =Records not available

		SUBPART D – WELDING, NDT, and REPAIR /REMOVAL PROCEDURES	S	U	N/A	N/C
Compliance with welding requirements for pipe replaced or repaired in the course of pipeline maintenance is required by '195.422 and '195.200.						
.402(c)/ .422 *	.214(a)	Are welding procedures qualified in accordance with Sec. 5 of API 1104 or Section IX of ASME Boiler & Pressure Code? Amdt. 195-81 Pub. 6/14/04, eff. 7/14/04.				1
*	.222(a)	Welders must be qualified in accordance with **Section 6 of API Standard 1104 (19th Ed., 1999)** or **Section IX of the ASME Boiler and Pressure Vessel Code** (2004 Ed. Including addenda through July 1, 2005), except that a welder qualified under an earlier edition than listed in **'195.3** may weld, but may not requalify under that earlier edition. Amdt 195-81 pub. 6/14/04, eff. 7/14/04.; Amdt 195-81 corr. Pub. 9/09/04; Amt 195-86 Pub. 06/09/06 eff. 07/10/06.				1
	Nondestructive Testing Procedures					
*	.228 /.234	Do procedures require welds to be nondestructively tested to ensure their acceptability according to **Section 9 of API 1104 (19th)** and as per **195.228(b)** and per the requirements of **195.234** in regard to the number of welds to be tested? Amdt 195-81 Pub. 6/14/04, eff. 7/14/04.				1

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Comments:

		MAXIMUM OPERATING PRESSURE PROCEDURES (MOP) - ALL SYSTEMS	S	U	N/A	N/C
.402(a)	.406(a)	Except for surge pressures and other variations from normal operations, the MOP may not exceed any of the following:				
*	.406(a)(1)	The internal design pressure of the pipe determined by **195.106**. Amt. 195-86 Pub. 06/09/06 eff. 07/10/06.				1

Comments:

		UNDERWATER INSPECTION PROCEDURES of OFFSHORE PIPELINES	S	U	N/A	N/C
* .402(a)	.413(a)	Procedure to identify its pipelines in the Gulf of Mexico and its inlets in waters less than 15 feet (4.6 meters) that are at risk of being an exposed underwater pipeline or a hazard to navigation. Gathering lines of 4 ½ inches (114mm) nominal outside diameter or smaller are exempt. (Procedures must be in effect August 10, 2005.) Amdt. 195-82 Pub. 8/10/04, eff. 9/09/04.			X	
*	.413(b)	Each operator shall conduct appropriate periodic underwater inspections of its pipelines in the Gulf of Mexico and its inlets in waters less than 15 feet (4.6 meters) deep as measured from mean low water based on the identified risk. Amdt. 195-82 Pub. 8/10/04, eff. 9/09/04.			X	
*	.413(c)	When the operator discovers that a pipeline it operates is exposed on the seabed or constitutes a hazard to navigation, does the operator: Amdt. 195-82 Pub. 8/10/04, eff. 9/09/04.				
*	.413(c)(1)	Promptly, but no later than 24 hours after discovery, notify the NRC by phone. Amdt. 195-82 Pub. 8/10/04, eff. 9/09/04.			X	
*	.413(c)(2)	Promptly, but not later than **7 days** after discovery, mark the location of the pipeline in accordance with **33 CFR Part 64** at each end of the pipeline segment and at intervals of not over **500 yards long**, except that a pipeline segment less than **200 yards long** need only be marked at the center. Amdt. 195-82 Pub. 8/10/04, eff. 9/09/04.			X	
*	.413(c)(3)	Within **6 months** after discovery, or not later than **November 1** of the following year if the **6 month** period is after **November 1** of that year the discovery is made, place the pipeline so that the top of the pipe is **36 inches** below the seabed for normal excavation or **18 inches** for rock excavation. Amdt. 195-82 Pub. 8/10/04, eff. 9/09/04.			X	

Comments:
The internal design pressure of the pipe determined by **195.106**. Amt. 195-86 Pub. 06/09/06 eff. 07/10/06.
No offshore pipelines

		OVERPRESSURE SAFETY DEVICE PROCEDURES	S	U	N/A	N/C
.402(a)	.428(c)	Aboveground breakout tanks that are constructed or significantly altered according to API Standard 2510 after October 2, 2000, must have an overfill protection system installed according to section 5.1.2 of API Standard 2510. Amt. 195-86 Pub. 06/09/06 eff. 07/10/06.				
*		Tanks over 600 gallons (2271 liters) constructed or significantly altered after October 2, 2000, must have overfill protection according to API Recommended Practice 2350 unless operator noted in procedures manual (195.402) why compliance with API RP 2350 is not necessary for the safety of a particular breakout tank.				1

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Comments:
The internal design pressure of the pipe determined by **195.106**. Amt. 195-86 Pub. 06/09/06 eff. 07/10/06.

		BREAKOUT TANK PROCEDURES	S	U	N/A	N/C
.402(a) *	.432(c)	Each operator shall inspect the physical integrity of in-service steel aboveground breakout tanks built to **API Standard 2510** according to **section 6 of API 510.** Amt. 195-86 Pub. 06/09/06 eff 07/10/06.				1

Comments:
The internal design pressure of the pipe determined by **195.106**. Amt. 195-86 Pub. 06/09/06 eff. 07/10/06.

		PUBLIC AWARENESS PROGRAM PROCEDURES (In accordance with API RP 1162)	S	U	N/A	N/C
.402(a) *	.440	Public Awareness Program also in accordance with API RP 1162 (Amdt. 192-83 Pub. 5/19/05 eff. 06/20/05)				
*	.440(d)	The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on: Amdt. 195-83 Pub. 5/19/05, eff. 06/20/05.				
		(1) Use of a one-call notification system prior to excavation and other damage prevention activities;				1
		(2) Possible hazards associated with unintended releases from a hazardous liquids or carbon dioxide pipeline facility;				1
		(3) Physical indications of a possible release;				1
		(4) Steps to be taken for public safety in the event of a hazardous liquid or carbon dioxide pipeline release; and				1
		(5) Procedures to report such an event (to the operator).				1
* *	.440(e)	The operator's program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations. Amdt. 195-83 Pub. 5/19/05, eff. 06/20/05.				1
*	.440(f)	The operator's program and the media used must be comprehensive enough to reach all areas in which the operator transports hazardous liquid or carbon dioxide. Amdt. 195-83 Pub. 5/19/05, eff. 06/20/05.				1
*	.440(g)	The program must be conducted in English and any other languages commonly understood by a significant number of the population in the operator's area. Amdt. 195-83 Pub. 5/19/05, eff. 06/20/05.				1

Comments:

		CPM/LEAK DETECTION PROCEDURES	S	U	N/A	N/C
.402(a) *	.444	If a CPM system is installed, does the operator's procedures for the Computational Pipeline Monitoring (CPM) leak detection system comply with API 1130 in operating, maintaining, testing, record keeping, and dispatching training? Amt. 195-86 Pub. 06/09/06 eff. 07/10/06.				1

Comments:

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Comments:

	PIPELINE INTEGRITY MANAGEMENT IN HIGH CONSEQUENCE AREAS PROCEDURES	S	U	N/A	N/C
.452	This form does not cover Liquid Pipeline Integrity Management Programs				

	SUBPART G - OPERATOR QUALIFICATION PROCEDURES	S	U	N/A	N/C
.501 -.509	Refer to Operator Qualification Inspection Forms and Protocols (OPS web page)				

		SUBPART H - CORROSION CONTROL PROCEDURES	S	U	N/A	N/C
.402(a) *	.571	Cathodic protection must comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs **6.2 and 6.3 of NACE Standard RP0169-2002** (incorporated by reference). Amt. 195-86 Pub. 06/09/06 eff. 07/10/06.				1
*	.573	a. (2) **Before 12/29/2003 or not more than 2 years** after cathodic protection installed, whichever comes later, identify the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph **10.1.1.3 of NACE RP0169-2002.** Amt. 195-86 Pub. 06/09/06 eff. 07/10/06.				1

Comments:

	PART 199 – DRUG and ALCOHOL TESTING REGULATIONS and PROCEDURES	S	U	N/A	N/C
Subparts A - C	Drug & Alcohol Testing & Alcohol Misuse Prevention Program – Use PHMSA Form # 13, PHMSA 2008 Drug and Alcohol Program Check.				

	PART 195 - FIELD REVIEW	S	U	N/A	N/C
.262	Pumping Stations	X			
.262	Station Safety Devices	X			
.308	Pre-pressure Testing Pipe - Marking and Inventory	X			
.403	Supervisor Knowledge of Emergency Response Procedures – ExxonMobil uses a self validation process to meet this requirement		X		
.410	Right-of-Way Markers – Inadequate marking of the pipeline in the housing development south of Laurel		X		
.412	ROW/Crossing Under Navigable Waters – Pipeline does not cross a navigable waterway			X	
.420	Valve Maintenance – A couple of valves leaking crude oil were identified		X		
.420	Valve Protection from Unauthorized Operation and Vandalism	X			
.426	Scraper and Sphere Facilities and Launchers	X			
.428	Pressure Limiting Devices	X			
.428	Relief Valves - Location - Pressure Settings - Maintenance	X			
.428	Pressure Controllers	X			

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	PART 195 - FIELD REVIEW	S	U	N/A	N/C
.430	Fire Fighting Equipment	X			
.432	Breakout Tanks – there are 5 tanks located at the beginning of the line at the Silvertip Station which receive crude oil from Marathon. ExxonMobil claims these are not breakout tanks due to the change of ownership of the crude oil.			X	
.434	Signs - Pumping Stations - Breakout Tanks	X			
.436	Security - Pumping Stations - Breakout Tanks	X			
.438	No Smoking Signs	X			
.501-.509	Operator Qualification - Use PHMSA Form 15 Operator Qualification Field Inspection Protocol Form	X			
.571	Cathodic Protection (test station readings, other locations to ensure adequate CP levels)	X			
.573	Rectifiers, Reverse Current Switches, Diodes, Interference Bonds	X			
.575	Electrical Isolation; shorted casings	X			
.583	Atmospheric corrosion - Exposed pipeline components (splash zones, water spans, soil/air interface, under thermal insulation, disbanded coatings, pipe supports, deck penetrations, etc.) – The pipe support on the launcher barrel at the Silvertip Station shows evidence of corrosion at the pipe/pipe support interface. A portion of the span over a canal east of Laurel is not coated to protect the pipe from atmospheric corrosion.		X		

	PART 195 - PERFORMANCE AND RECORDS REVIEW	S	U	N/A	N/C
CONVERSION TO SERVICE – ExxonMobil has not converted the service of the Silvertip Pipeline					
.5(a)(2)	All aboveground segments of the pipeline, and appropriately selected underground segments must be visually inspected for physical defects and operating conditions which reasonably could be expected to impair the strength or tightness of the pipeline.			X	
.5(c)	Pipeline Records (Life of System)			X	
	Pipeline Investigations			X	
	Pipeline Testing			X	
	Pipeline Repairs			X	
	Pipeline Replacements			X	
	Pipeline Alterations			X	
REPORTING					
.48 / .49	Annual Report (DOT form PHMSA F7000-1.1Beginning no later than June 15, 2005) (As of January 5, 2009, an operator of a rural low-stress hazardous liquid pipeline is not required to complete Parts J and K of the hazardous liquid annual report form (PHMSA F 7000-1.1) required by § 195.49 or to provide the estimate of total miles that could affect high consequence areas in Part B of that form.)	X			
.52	Telephonic Reports to NRC (800-424-8802)	X			
.54(a)	Written Accident Reports (DOT Form 7000-1)	X			
.54 (b)	Supplemental Accident Reports (DOT Form 7000-1)				1
.56	Safety Related Conditions – No Safety Related Conditions			X	
.57	Offshore Pipeline Condition Reports – No offshore pipelines			X	
.59	Abandoned Underwater Facility Reports – No underwater facilities			X	
CONSTRUCTION					

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	PART 195 - PERFORMANCE AND RECORDS REVIEW	S	U	N/A	N/C
.204	Construction Inspector Training/Qualification – No new construction			X	
.214(b)	Test Results to Qualify Welding Procedures – No new construction			X	
.222	Welder Qualification– No new construction			X	
.234(b)	Nondestructive Technician Qualification – No new construction			X	
.589	Cathodic Protection – No new construction			X	
.266	Construction Records– No new construction			X	
.266(a)	Total Number of Girth Welds– No new construction			X	
	Number of Welds Inspected by NDT– No new construction			X	
	Number of Welds Rejected– No new construction			X	
	Disposition of each Weld Rejected – No new construction			X	
.266(b)	Amount, Location, Cover of each Size of Pipe Installed– No new construction			X	
.266(c)	Location of each Crossing with another Pipeline– No new construction			X	
.266(d)	Location of each buried Utility Crossing– No new construction			X	
.266(e)	Location of Overhead Crossings– No new construction			X	
.266(f)	Location of each Valve and Test Station– No new construction			X	
	PRESSURE TESTING				
.310	Pipeline Test Record – no new hydrotests			X	
.305(b)	Manufacturer Testing of Components – no new components installed			X	
.308	Records of Pre-tested Pipe – No pretested pipe			X	
	OPERATION & MAINTENANCE				
.402(a)	Annual Review of O&M Manual **(1 per yr/15 months)**	X			
.402(c)(4)	Determination of Areas requiring immediate response for Failures or Malfunctions	X			
.402(c)(10)	Abandonment of Facilities – no abandoned facilities			X	
.402(c)(12)	Establishment/Maintaining liaison with Fire, Police, and other Public Officials	X			
.402(c)(13)	Periodic review of personnel work – effectiveness of normal O&M procedures	X			
.402(d)(1)	Response to Abnormal Pipeline Operations – no abnormal pipeline operations			X	
.402(d)(5)	Periodic review of personnel work – effectiveness of abnormal operation procedures	X			
.402(e)(1)	Notices which require immediate response	X			
.402(e)(7)	Notifications to Fire, Police, and other Public Officials of an Emergency – no emergencies			X	
.402(e)(9)	Post Accident Reviews – no accidents			X	
.403(a)	Emergency Response Personnel Training Program	X			
.403(b)	Review of Personnel Perform., Emergency Response Program Changes **(1 per yr/15 months)**	X			
.403(c)	Verification of Supervisor Knowledge - Emergency Response Procedures - ExxonMobil Pipeline relies solely on a self documentation process to verify supervisor knowledge of emergency response procedures.		X		
.404(a)(1)	Maps or Records of Pipeline System – The pipeline alignment drawings do not include information regarding the pipeline reconditioning project conducted near Rock Creek from 1999 to 2001 and a line relocation performed along Interstate 90 near the Conoco Refinery in Billings several years ago. In addition, a valve is shown near Bridger is no longer there.		X		

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	PART 195 - PERFORMANCE AND RECORDS REVIEW	S	U	N/A	N/C
.404(a)(2)	Maps/Records of Crossings of Roads, Railroads, Rivers, Utilities and Pipelines - The pipeline alignment drawings do not include information regarding the pipeline reconditioning project conducted near Rock Creek from 1999 to 2001 and a line relocation performed along Interstate 90 near the Conoco Refinery in Billings several years ago. In addition, a valve is shown near Bridger is no longer there.		X		
.404(a)(3)	MOP of each Pipeline	X			
.404(a)(4)	Pipeline Specifications	X			
.404(b)(1)	Pump Station Daily Discharge Pressure (maintain for at least 3yrs)	X			
.404(b)(2)	Abnormal Operations (' 195.402) (maintain for at least 3yrs) - no abnormal pipeline operations			X	
.404(c)(1)	Pipe Repairs (maintain for useful pipe life) – ExxonMobil was unable to locate the records of the recoating project near Rock Creek performed from 1999 to 2001		X		
.404(c)(2)	Repairs to Parts of the System other than pipe (maintain for at least 1 yr)	X			
.404(c)(3)	Required inspection and test records (maintain 2 yrs or next test/inspection)	X			
.406(a)	Establishing the MOP	X			
.408(b)(2)	Receiving notices of abnormal or emergency conditions and sending it to appropriate personnel and government agencies.	X			
.412(a)	Inspection of the ROW	X			
.412(b)	Inspection of Underwater Crossings of Navigable Waterways– No crossings of navigable waterways			X	
.413(b)	Gulf of Mexico/inlets: Periodic underwater inspections based on the identified risk – No pipelines in the Gulf of Mexico			X	
.420(b)	Inspection of Mainline Valves	X			
.428(a)	Insp. of Overpress. Safety Devices (**1 per yr/15 months** non-HVL; **2 per yr/7½ months** HVL)	X			
.428(b)	Inspection of Relief Devices on HVL Tanks (intervals NTE **5 yrs**). – No HVL Tanks			X	
.428(d)	Inspection of Overfill Systems (**1 per yr/15 months** non-HVL; **2 per yr/7½ months** HVL) – no overfill systems			X	
.430	Inspection of Fire Fighting Equipment	X			
.432	Inspection of Breakout Tanks (**1 per yr/15 months** or per **API 510 or 653**) – there are 5 tanks located at the beginning of the line at the Silvertip Station which receive crude oil from Marathon. ExxonMobil claims these are not breakout tanks due to the change of ownership of the crude oil.			X	
	PUBLIC AWARENESS PROGRAM				
.440(e & f)	Documentation properly and adequately reflects implementation of operator's Public Awareness Program requirements - Stakeholder Audience identification, message type and content, delivery method and frequency, supplemental enhancements, program evaluations, etc. (i.e. contact or mailing rosters, postage receipts, return receipts, audience contact documentation, etc. for emergency responder, public officials, school superintendents, program evaluations, etc.). See table below.	X			

API RP 1162 Baseline* Recommended Message Delivery Frequencies

Stakeholder Audience (Hazardous Liquid Operators)	Baseline Message Frequency (starting from elective date of Plan)
Residents Along Right-of-Way and Places of Congregation	2 years
Emergency Officials	Annual
Public Officials	3 years
Excavator and Contractors	Annual
One-Call Centers	As required of One-Call Center

* Refer to API RP 1162 for additional requirements, including general program recommendations, supplemental requirements, recordkeeping, program evaluation, etc.

STANDARD INSPECTION REPORT OF A LIQUID PIPELINE CARRIER

Unless otherwise noted, all code references are to 49CFR Part 195. S – Satisfactory U – Unsatisfactory N/A – Not Applicable N/C – Not Checked

If an item is marked U, N/A, or N/C, an explanation must be included in this report.

	PART 195 - PERFORMANCE AND RECORDS REVIEW	S	U	N/A	N/C
.440(g)	The program conducted in English and any other languages commonly understood by a significant number of the population in the operator's area.	X			
	DAMAGE PREVENTION PROGRAM				
.442(c)(1)	List of Current Excavators	X			
.442(c)(2)	Notification of Public/Excavators	X			
.442(c)(3)	Notifications of planned excavations. (One -Call Records)	X			
	CORROSION CONTROL				
.555	Supervisors maintain thorough knowledge of corrosion procedures - ExxonMobil Pipeline relies solely on a self documentation process to verify supervisor knowledge of corrosion control procedures.		X		
.589(c)/.567	Test Lead Maintenance, frequent enough intervals	X			
.589(c)/.569	Inspection of Exposed Buried Pipelines (External Corrosion)	X			
.589(c)/.573(a)(1)	External Corrosion Control, Protected Pipelines Annual CP tests (**1 per yr/15 months**)	X			
.589(c)/.573(a)(2)	Close Interval surveys (meeting the circumstances determined by the operator) – ExxonMobil does not routinely perform close interval surveys as they trend "on" data for the last three years. CIS is only used for troubleshooting activities.			X	
.589(c)/.573(b)	External Corrosion Control, Unprotected Pipeline Surveys, CP active corrosion areas (**1 per 3 cal yr/39 months**) – There is not any unprotected pipe in the Silvertip Pipeline			X	
.589(c)/.573(c)	Interference Bonds, reverse current switches, diodes, rectifiers	X			
.589(c)/.573(d)	External Corrosion Control - Bottom of Breakout Tanks - there are 5 tanks located at the beginning of the line at the Silvertip Station which receive crude oil from Marathon. ExxonMobil claims these are not breakout tanks due to the change of ownership of the crude oil.			X	
.589(c)/.573(e)	Corrective actions as required by .401(b) and, if IMP pipeline, 195.452(h).	X			
.589(c)/.575	Electrical isolation inspection and testing	X			
.589(c)/.577	Testing for Interference Currents				1
.589(c)/.579(a)	Corrosive effect investigation	X			
.589(c)/.579(b)	Examination of Coupons/Other Types of Internal Corrosion Monitoring Equipment (**2 per yr/7½ months**)	X			
.589(c)/.579(c)	Inspection of Removed Pipe for Internal Corrosion	X			
.589(c)/.583(a)	Atmos. Corr. Monitoring (**1 per 3 cal yr/39 months onshore; 1 per yr/15 months offshore**) - ExxonMobil is not following up on atmospheric corrosion issues identified in the 3 year atmospheric corrosion surveys in a timely manner.		X		
.589(c)/.585(a)	General Corrosion – Reduce MOP or repair ; ASME B31G or RSTRENG				1
.589(c)/.585(b)	Localized Corrosion Pitting – replace, repair, reduce MOP				1
.589(a)&(b)	Cathodic Protection (Maps showing anode location, test stations, CP systems, protected pipelines, etc.)	X			

1

Comments:

STANDARD INSPECTION REPORT OF A LIQUID PIPELINE CARRIER

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Comments:

Pipe to Soil and Rectifier Readings	P/S	C/S
Silvertip Station Launcher	-1.467	
Span across Silvertip Creek	-0.892	
Mainline Valve Upstream of the Clarks Fork of the Yellowstone	-1.086	
Mainline Valve Downstream of the Clarks Fork of the Yellowstone	-1.415	
Valve (1059) near aerial marker 50	-1.037	
Test Station near Bridger	-1.071	
Mainline valve (1060) near MP 43	-1.053	
Mainline valve 1059	-2.407	
MOV upstream of Rock Creek	-1.224	
MOV upstream of Rock Creek	-1.118	
Mainline valve upstream of the Yellowstone River crossing near Laurel	-1.420	
Mainline valve downstream of the Yellowstone River crossing near Laurel	-1.628	
Canyon Creek Span	-1.268	
Railroad crossing near King Avenue east of the Hu Hut restaurant	-1.342	
Second railroad crossing near King Avenue east of the Hu Hut restaurant	-1.142	-0.533
Laurel Road Crossing near Mountain Supply store	-1.222	-0665
King Avenue East/Jackson Street	-1.376	
Billings Meter Station – Conoco Refinery	-1.539	
Road Crossing near Mainline Valve Upstream of the Yellowstone River	-1.507	-0.559
Test leads Downstream of Yellowstone River Crossing	-1.528	
Mainline Valve Downstream of Yellowstone River	-1.470	
Klenck Lane Road Crossing	-1.754	-0.670

Rectifier Readings

Silvertip Station rectifier	15.4 V	35A
Rectifier near valve 1059	17.9V	13.7A

Silvertip Rectifier/Ground Bed

A ground bed near the Silvertip Station was replaced in March 2009. The ground bed gradually failed through 2008 as indicated by the output records below. Voltage had to be consistently increased to reach the target current output of 34 amps By September 2008 the ground bed had completely failed. It seems that they should have begun the process to replace the groundbed earlier. ExxonMobil acknowledged this but claimed the project was delayeddue to permitting issues with the BLM and contractor issues

Silvertip Rectifier Output Readings
Jan 2008 – 19V, 23A
Mar 2008 – 29V, 34A (34A was the target current ExxonMobil was trying to achieve based on historical performance)
May 2008 – 41V, 22A
July 2008 – 41V, 22A
Sept 2008 – 51V, 0A (groundbed totally depleted)
Nov, Jan, Mar – rectifier off

CP Notes

1. ExxonMobil relies on the trending of "On" readings over the previous 3 years to determine if the Silvertip Pipeline is adequately protected. They do not obtailn "off" readings. They conducted a CIS in 1999 but do not conduct CIS on a regular basis except for troubleshooting situations. Per Jerry Davis, this is acceptable as long as the data is used in conjunction with ILI data (historical records showing that there is not any metal loss).

2. 11 rectifiers are on the pipeline which download data 3 times per month (2^{nd}, 12^{th}, 22^{nd}) and send it to American Innovations in Austin, TX

STANDARD INSPECTION REPORT OF A LIQUID PIPELINE CARRIER

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If an item is marked U, N/A, or N/C, an explanation must be included in this report.

Comments:

3. Low readings were observed in 2005 near MP54. A coating reconditioning project was performed in 2006 in this area and the protection levels in 2006 improved to acceptable levels.

4. Some low readings were identified near MP64 in the October 08 survey. ExxonMobil indicated they plan to install a test station and ground bed near MP59 in August 2009 to address these low readingsand historically low readings near MP57

5. The pipeline was reconditioned (recoated) in the vicinity of Rock Creek in 1999 to 2001 as a result of low pipe to soil readings in that area.

6. ExxonMobil does not have specific guidelines for the repair or modification of the CP system protecting the Silvertip Pipeline when readings trend down

Atmospheric Corrosion Survey Form
589+90 (near 56th St) 101 ft span – rocks against pipeline
755+91 - 149 ft span – 12 ft bare pipe
1756+84 - 158 ft span
2105+24 - 102 ft span patch and paint
2170+18 – 4 ft span – needs signs
2194+33 – 40 ft span – trees, paint, signs
2745+87 – 154 ft span – need to clear trees
3406+61 – 198 ft span – checked this – 0.892 p/s potential
2211+26 – 10-15 ft span in flow, debris accumulated against pipeline, stump against pipeline – Goldie road /irrigation return ditch - -1.169 mV p/s potential

General Notes
The Pump Station at Bridger has been removed
Edgar Station – receipts from KinderMorgan/Terasen/Express
Laurel – Receipts from CHS/delivery to CHS
Billings – no delivery to Conoco, delivery to ExxonMobil

Oil Pollution Act (49 CFR 194)

	Field Verification of Facility Response Plan Information	Y	N	N/A
	Is there a copy of the approved Facility Response Plan present? [See Guidance OPA-1]			1
194.111	RSPA Tracking Number: Approval Date:			
194.107	Are the names and phone numbers on the notification list in the FRP current?[OPA-2]			1
194.107	Is there written proof of a contract with the primary oil spill removal organization (OSRO)? [OPA-3]			1
194.107	Are there complete records of the operator=s oil spill exercise program? [OPA-4]			1
194.117	Does the operator maintain records for spill response training (including HAZWOPER training)? [OPA-5]			1

Comments *(If any of the above is marked N or N/A, please indicate why, either in this box or in a referenced note):*
Did not have time to review this information

OPA Inspection Guidance

OPA-1 - RSPA Tracking Number: This is also known as the Asequence number.@ It is a four-digit number that PHMSA HQ assigns to each facility response plan (FRP). If the operator does not know their sequence number, they should look on their copy of the FRP for the sequence number. Also, PHMSA HQ always puts the sequence number in every plan-related letter to operators. If the operator is a new operator without a plan, the unit has a new owner, or the unit has new facilities not incorporated into the existingOPA-90 Plan, the answer is NO. Direct the operator to contact L.E. Herrick, 202-366-5523.

Copy of approved FRP: Every oil pipeline operator must have an FRP approved by PHMSA. The operator should be able to produce their PHMSA plan approval letter. When PHMSA HQ approves a plan, the approval is valid for five years from the date of the approval letter.

OPA-2 - Names and phone numbers: Operators are required to keep the notification lists in their FRP current. The inspector should examine the notification list in the FRP and spot-check the accuracy of the names and phone numbers when they interview the operator It is critical to check the Qualified Individual (QI) and Alternate QI data.

OPA-3 - Proof of OSRO contract: Operators whose FRP=s state that they are relying on clean-up contractors for spill response are required to have contracts with the oil spill removal organizations (OSRO=s) that they cite in the FRP. The inspector should ask to see documentation that the operator has a contract in place with the primary OSRO listed in the FRP.

OPA-4 - Exercise documentation: Operators are required to conduct a variety of spill response exercises under Part 194, and make their exercise records available to PHMSA for inspection. Inspectors should check to see if the operator lists the date, time, location and names of exercise participants. If the inspector has doubts about whether the operator=s exercise documentation is accurate, it should be noted on the inspection form so that PHMSA HQ can follow up with the operator. The documentation should include annual spill management team tabletop exercises, quarterly internal notification drills, and annual response equipment deployment drills? The drill does not necessarily need to include a pipeline spill scenario, but should test the operator=s personnel, equipment, resources, and response strategies needed for responding to a comparable pipeline spill.

OPA-5 - Training records: Operators are required to train their personnel to carry out their individual roles under the FRP. The inspector should spot-check the files of key personnel listed in the FRP to ensure that they have beentrained to carry out their duties in a response. Special attention should be given to documenting the safety training required under OSHA=s Hazwoper standard (29 CFR 1910.120). Each person involved in a spill response is required under 194.117 to have training commensurate with their duties.

Photographs

Silvertip Station – Pumps and station piping

Silvertip Station – Launcher

Silvertip Station – Launcher barrel support/pipe interface

Silvertip Station - Launcher barrel support/pipe interface

Silvertip Station – Launcher bypass valves

Clarks Fork of the Yellowstone River Crossing

Clarks Fork of the Yellowstone River Crossing – Downstream valve vault/operator – looking downstream (north)

Clarks Fork of the Yellowstone River Crossing – Downstream valve vault/operator – looking upstream (south)

Span – Station 2745+87

Span – Station 2745+87

Span – Station 2745+87

Span – Station 2745+87

Mainline Valve 1061 (near aerial marker 50)

Mainline Valve 1061 (near aerial marker 50)

Mainline Valve 1061 (near aerial marker 50)

Valve 1060 (near aerial marker 43)

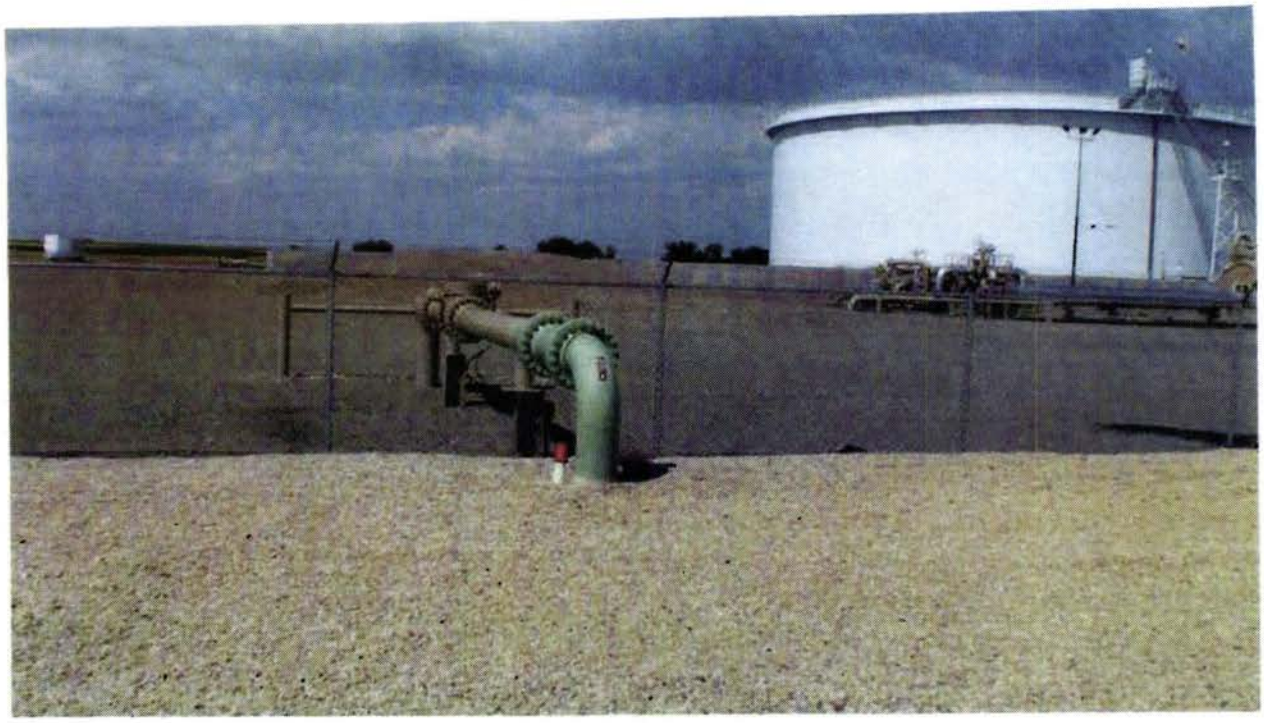
Valve 1060 (near aerial marker 43)

Span – Station 2211+26

Span – Station 2211+26

Span – Station 2194+33

Span – Station 2194+33



Edgar Station – Line from KinderMorgan Express Pipeline

Edgar Station – Pumping Unit and Station Piping

Edgar Station – Pumping Unit and Station Piping

Edgar Station – Station Piping

Rock Creek Crossing – From Upstream Valve Looking North

Rock Creek Crossing – From Downstream Valve Looking South

Right of way through Beartooth Manor subdivision

Right of way through Beartooth Manor subdivision

Right of way through subdivision (Whitehorse Bench and Vista Lane) south of Laurel

Right of way through subdivision (Whitehorse Bench and Vista Lane) south of Laurel

Right of way through subdivision (Whitehorse Bench and Vista Lane) south of Laurel

Right of way through subdivision (Whitehorse Bench and Vista Lane) south of Laurel

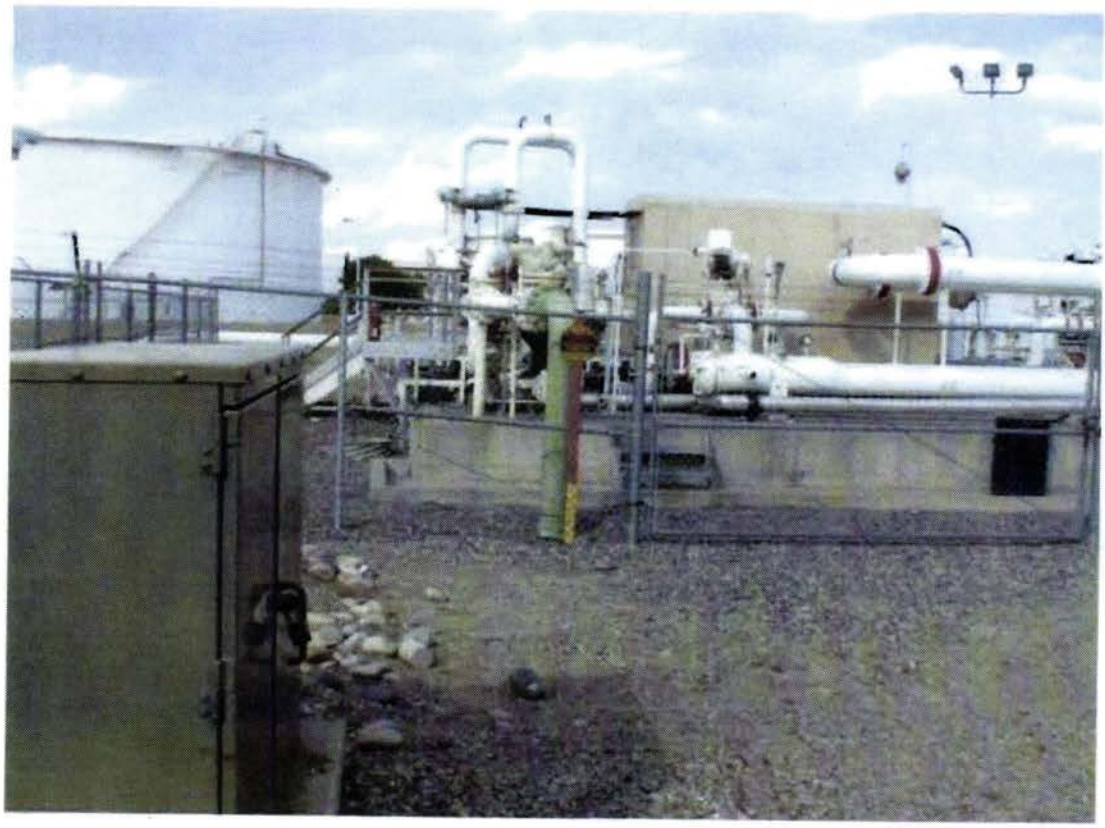
Right of way through subdivision (Whitehorse Bench and Vista Lane) south of Laurel

Right of way through subdivision (Whitehorse Bench and Vista Lane) south of Laurel – out of date marker` - close up of previous photo

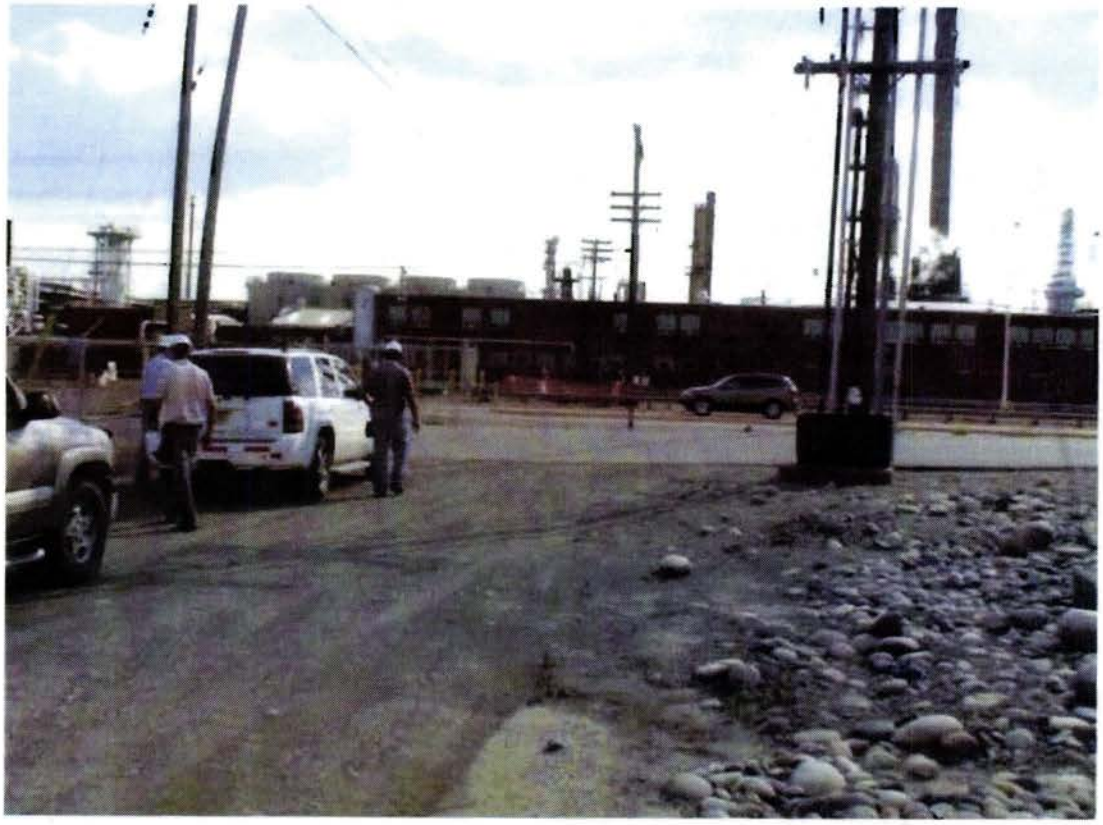
Right of way through subdivision (Whitehorse Bench and Vista Lane) south of Laurel

Right of way through subdivision (Whitehorse Bench and Vista Lane) south of Laurel – pipeline passes under the eave of the garage in foreground and just to the left of the shed

Laurel Station Injection piping (CHS valve and piping)



Laurel Station Injection



Laurel Station Injection right of way

Yellowstone River Crossing – Upstream Valve (south of river on south edge of park)

Yellowstone River crossing location (south bank)

Yellowstone River crossing location near Laurel from south bank looking north

Yellowstone River Crossing – Downstream Valve (north side of river) – note CHS Refinery in the background

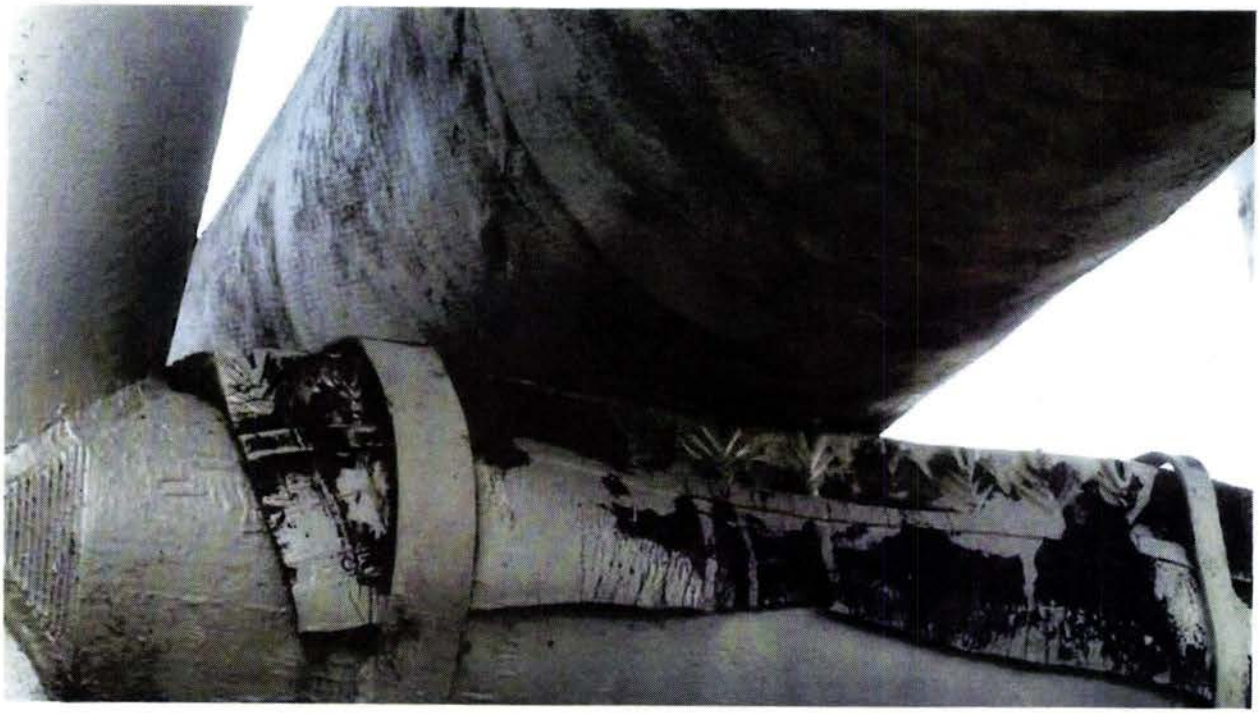
Mainline valve east of Laurel

Span north of Laurel (station 753+91?) – non coated exposed pipe in the foreground

Span north of Laurel

Span across Canyon Creek – Note bank erosion and possible sagging of pipe

Span immediately east of Canyon Creek



Span immediately east of Canyon Creek – pipe/pipe support interface insulated with an old tire

Typical pipeline right of way west of Billings

Pipeline Right of Way along King Avenue East near Jackson Avenue

Pipeline Right of Way north of King Avenue East near Jackson Avenue

King Avenue East/Railroad track crossing

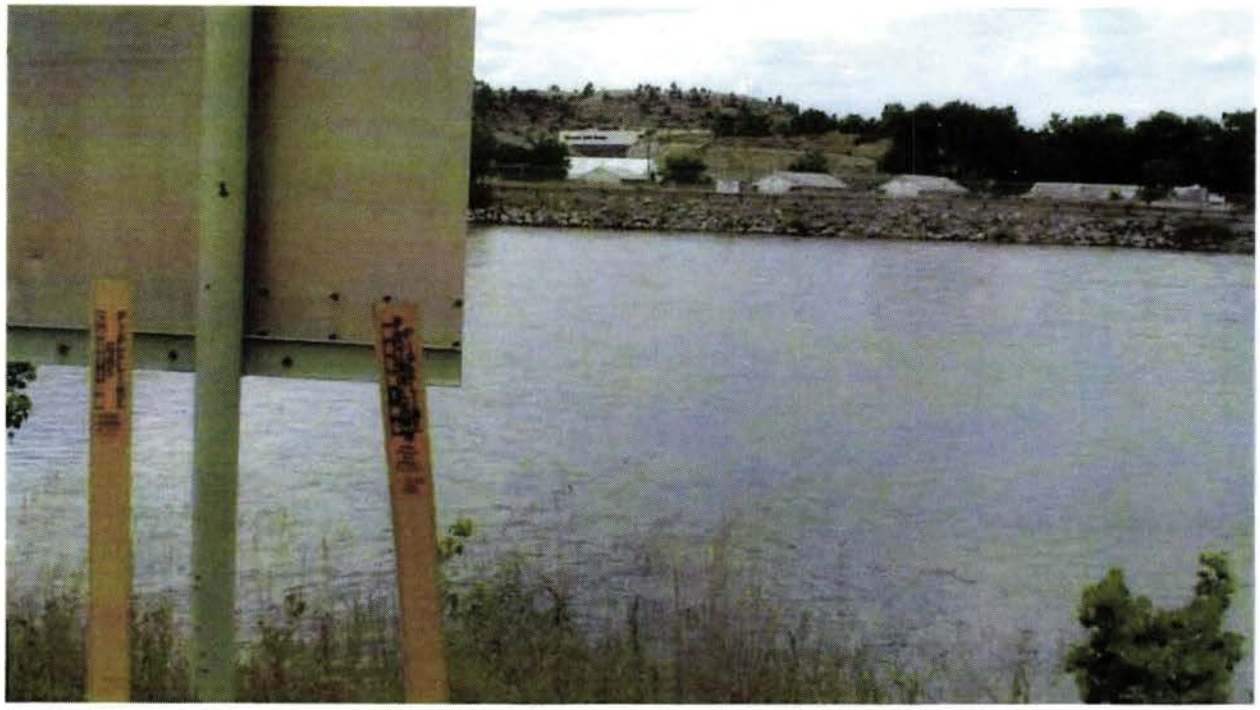
Right of way near King Avenue East

Disassembled Launcher/Receiver at the Billings Meter Station in the Conoco Refinery. Piping was disassembled to accommodate an ILI tool run.

Mainline Valve upstream (north) of the Yellowstone River in Lockwood

Yellowstone River Crossing – Warning sign

Mainline valve downstream (south side) of the Yellowstone River in Lockwood



Yellowstone River Crossing location in Lockwood

ExxonMobil Refinery – Receiver and station piping

ExxonMobil Refinery – Relief valve on relief line to the breakout tank

ExxonMobil Refinery – Silvertip Pipeline manifold as seen from the top of the breakout tank

Correspondence from ExxonMobil received after the inspection

Double click on the document to view the entire letter

ExxonMobil Pipeline Company
Post Office Box 2220
Houston, Texas 77252-2220

ExxonMobil
Pipeline

August 7, 2009

Mr. Chris Hoidal, P.E.
Director, Western Region
Pipeline and Hazardous Material Safety Administration
12300 W. Dakota Avenue, Suite 110
Lakewood, CO 80228

Re: DOT Audit of ExxonMobil Pipeline's Montana Facilities

Dear Mr. Hoidal:

ExxonMobil Pipeline Company's (EMPCo) Montana pipeline facilities were inspected by Mr. Mike Petronis of your office during the week of July 27, 2009. In the close-out meeting, Mr. Petronis informed the attendees that he would discuss his findings with you prior to preparing the final audit findings letter. We trust that the discussion between the two of you will include the comments in this letter, which we have reviewed directly with Mr. Petronis.

As suggested by Mr. Petronis, EMPCo immediately began developing a plan to address the findings from the inspection and will have photographs to show the progress made within the next 30 days. While EMPCo agrees with the majority of the potential findings by Mr. Petronis, there are two of the items suggested by Mr. Petronis for possible inclusion in a Warning Letter with which EMPCo respectfully disagrees.

At the Clark's Fork river crossing, Mr. Petronis advocated enhancements to the existing signage on the river bank. EMPCo suggests that even if the location should require these signage enhancements, this finding is easily corrected and not worthy of being mentioned in a Warning Letter. In addition, while supplementary separation between the pipe and the pipe supports at the Silvertip Station may be advantageous, no corrosion was found during either the atmospheric corrosion inspection or the DOT inspection. EMPCo's assertion is that both of the above-mentioned items are more correctly made as "suggested best practices" versus as "possible violations".

In conclusion, our company is disappointed with the outcome of this inspection. EMPCo is never satisfied when we or a regulatory agency find any shortcomings in our processes. It is EMPCo's intent to maintain and operate our facilities to the highest standards, meeting or exceeding minimum regulatory requirements. We will continue to strive toward excellence and flawless operations of our pipeline facilities.

Double click on text below to view the powerpoint presentation

Montana DOT Pipeline Audit
July 27-30, 2009

Visual Corrective Actions

ExxonMobil Pipeline Company
Post Office Box 2220
Houston, Texas 77252-2220

ExxonMobil
Pipeline

August 7, 2009

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Pipeline and Hazardous Material Safety Administration
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Thank you for your consideration of our comments. If you wish to discuss any of these issues further, please contact Larry Hawthorne at 903-654-5345.

Sincerely,

Brian T. Magruder

Attachments
c - J. E. James
c - J. B. Rose
c - J. J. Montgomery
c - C. D. Wile
c - S. E. Davenport
c - M. Petronis

Fromburg Dump Span Before Clearing

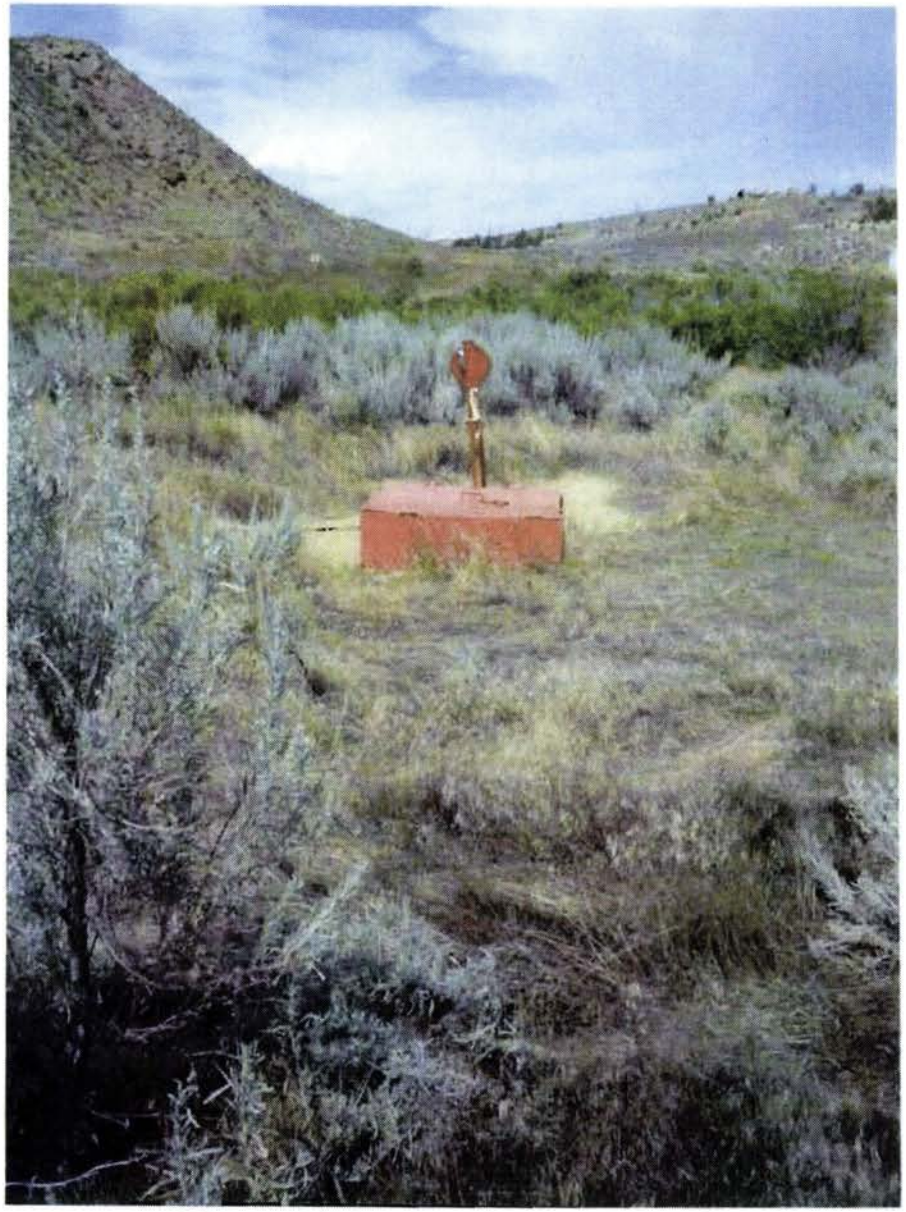
Fromburg Dump Span After Clearing.
Completed 8-14-09

Clarks Fork River Before Clearing.

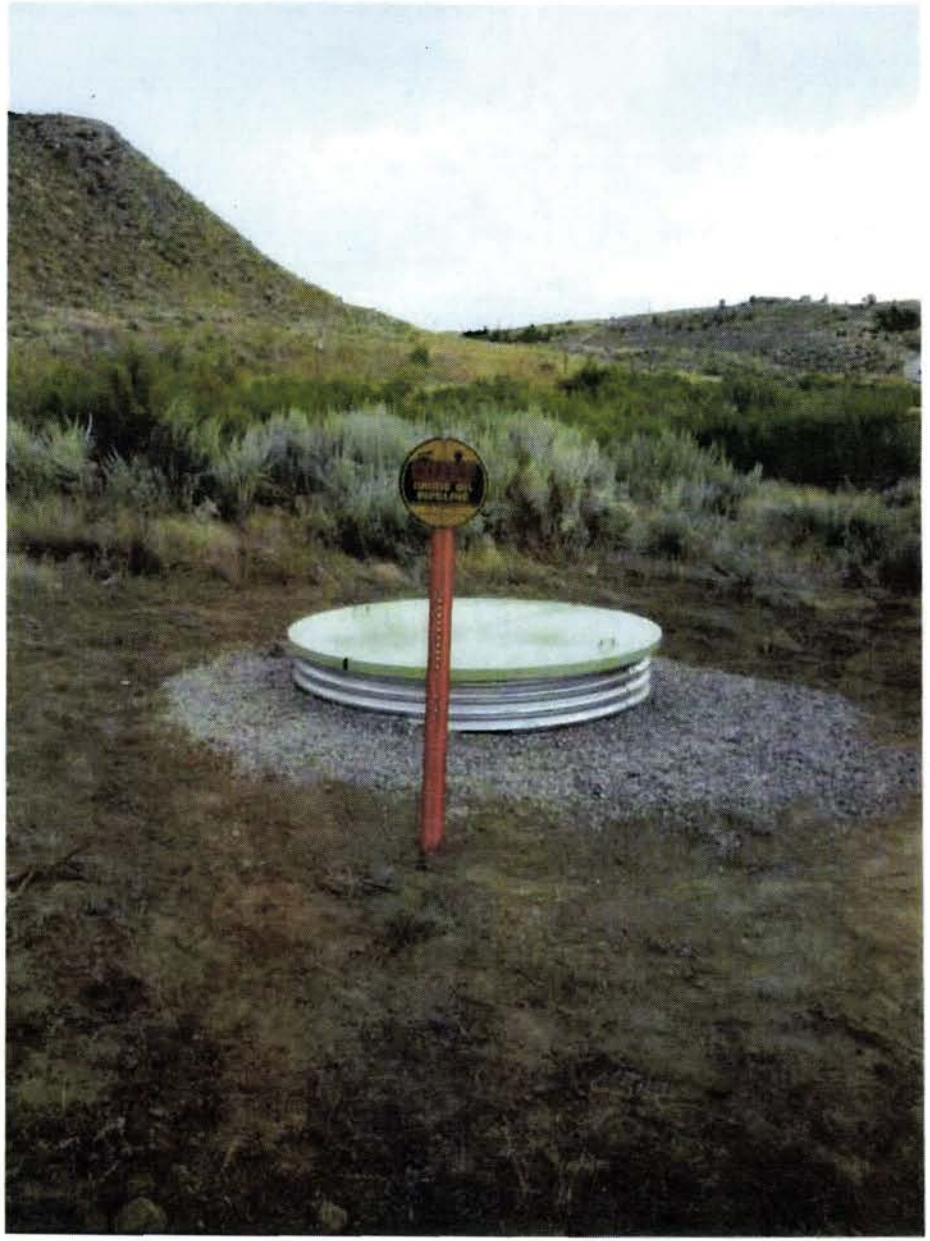
Clarks Fork River After Clearing.
Completed 8-19-09

Clarks Fork River After Clearing.
Completed 8-19-09

Valve 1061 Before Work

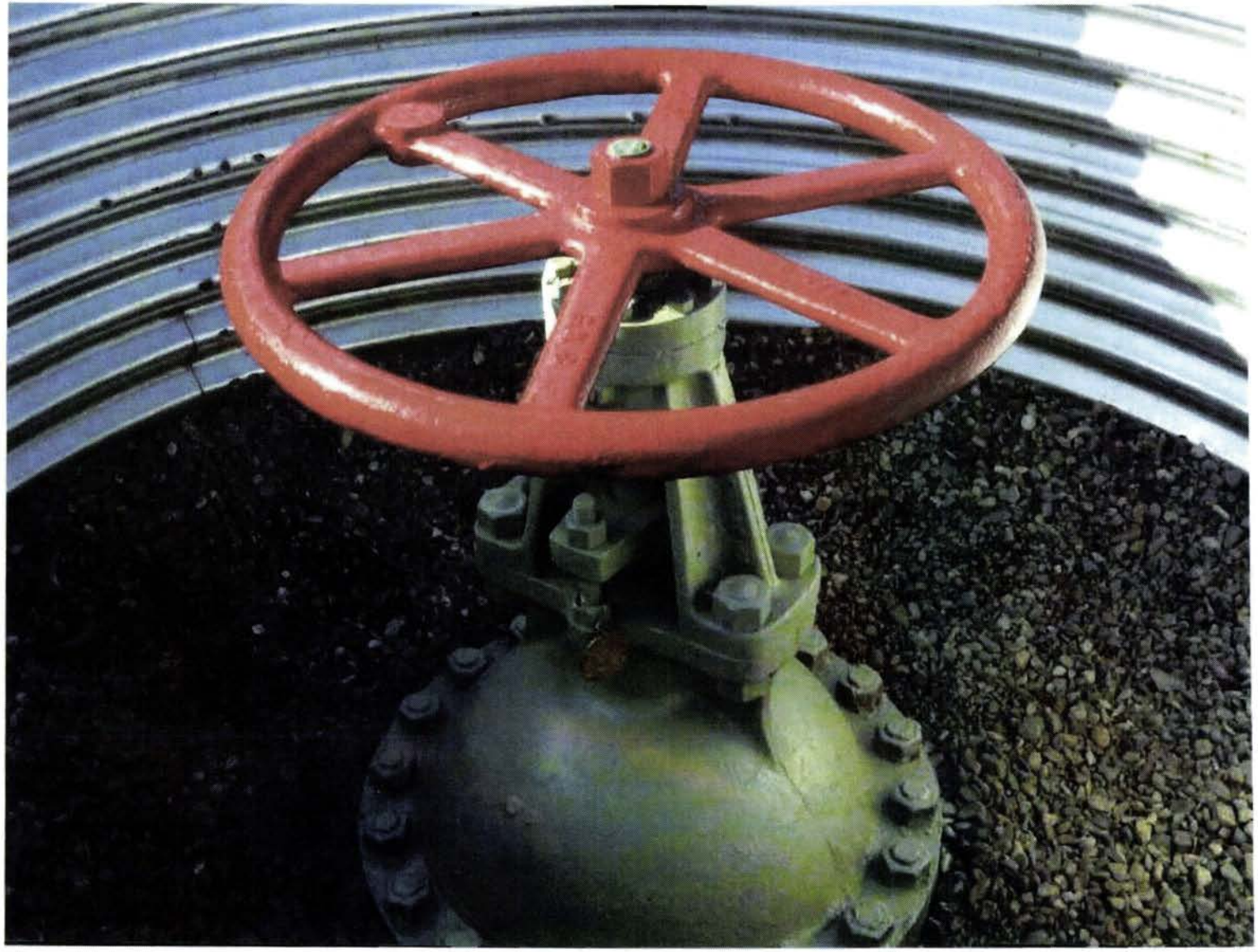


Valve 1061 After Work.
Completed 8-17-09



Valve 1061 Before Work

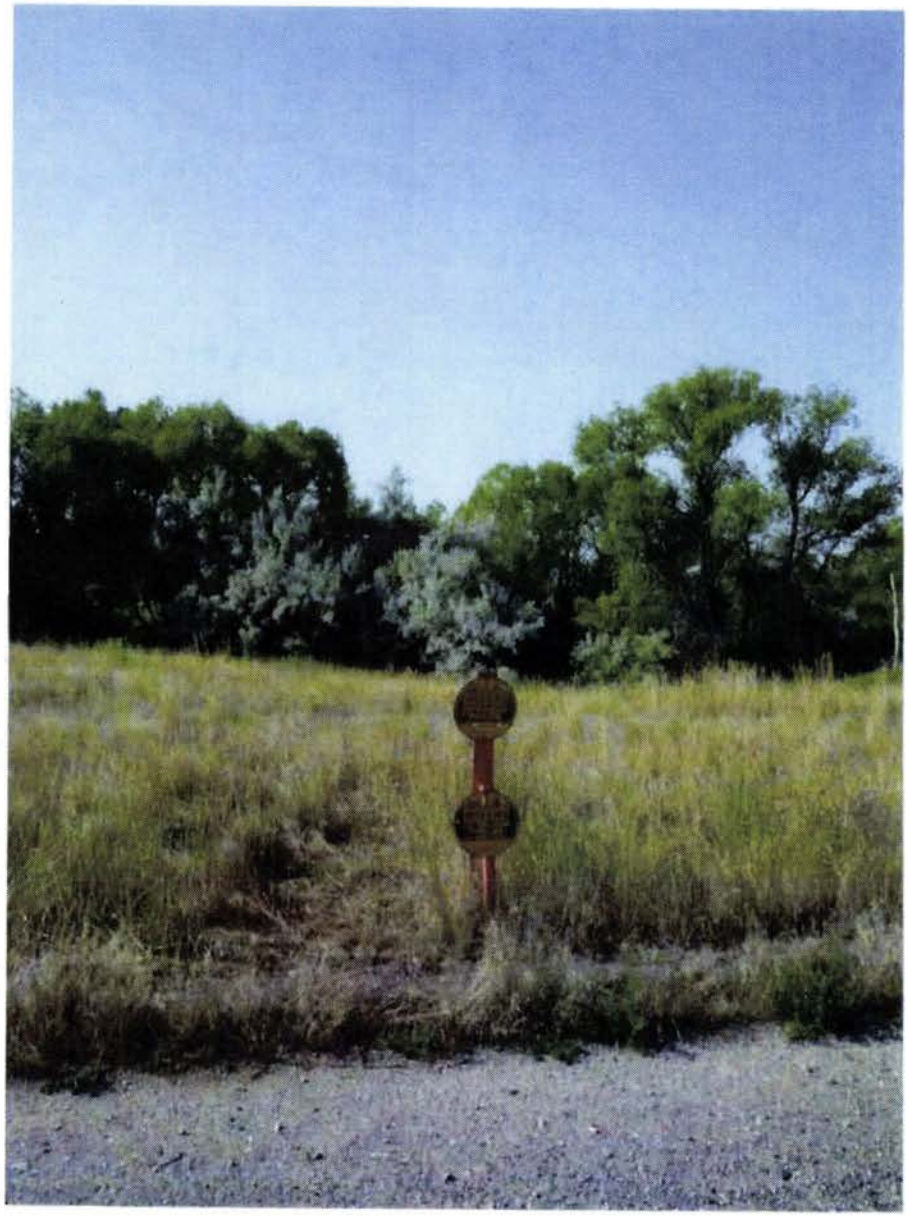
Valve 1061 After Work.
Completed 8-17-09



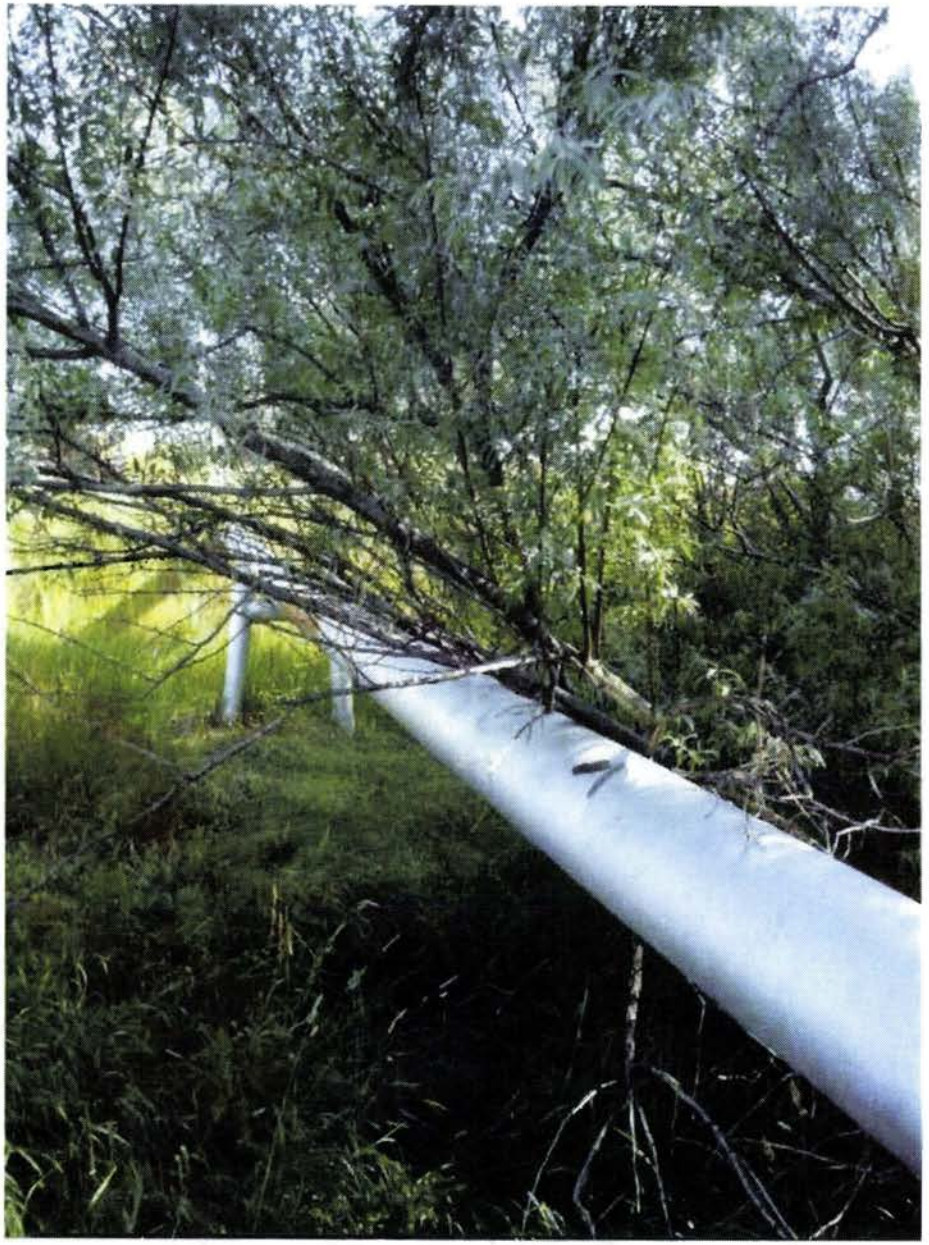
Valve 1060 Before Work.

Valve 1060 After Work.
Completed 8-17-09

MP 51.991 Before Work



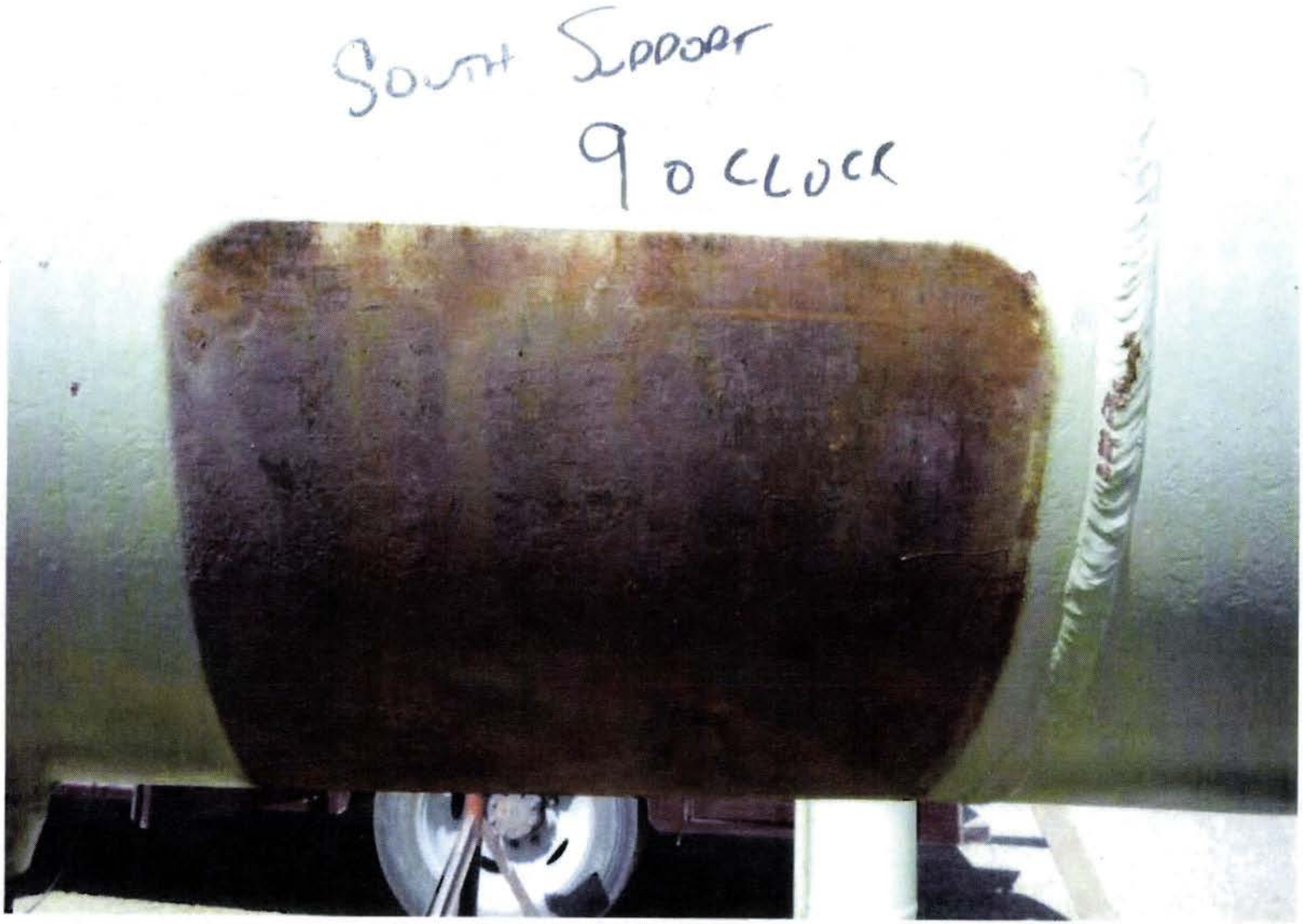
MP 51.991 Before Work



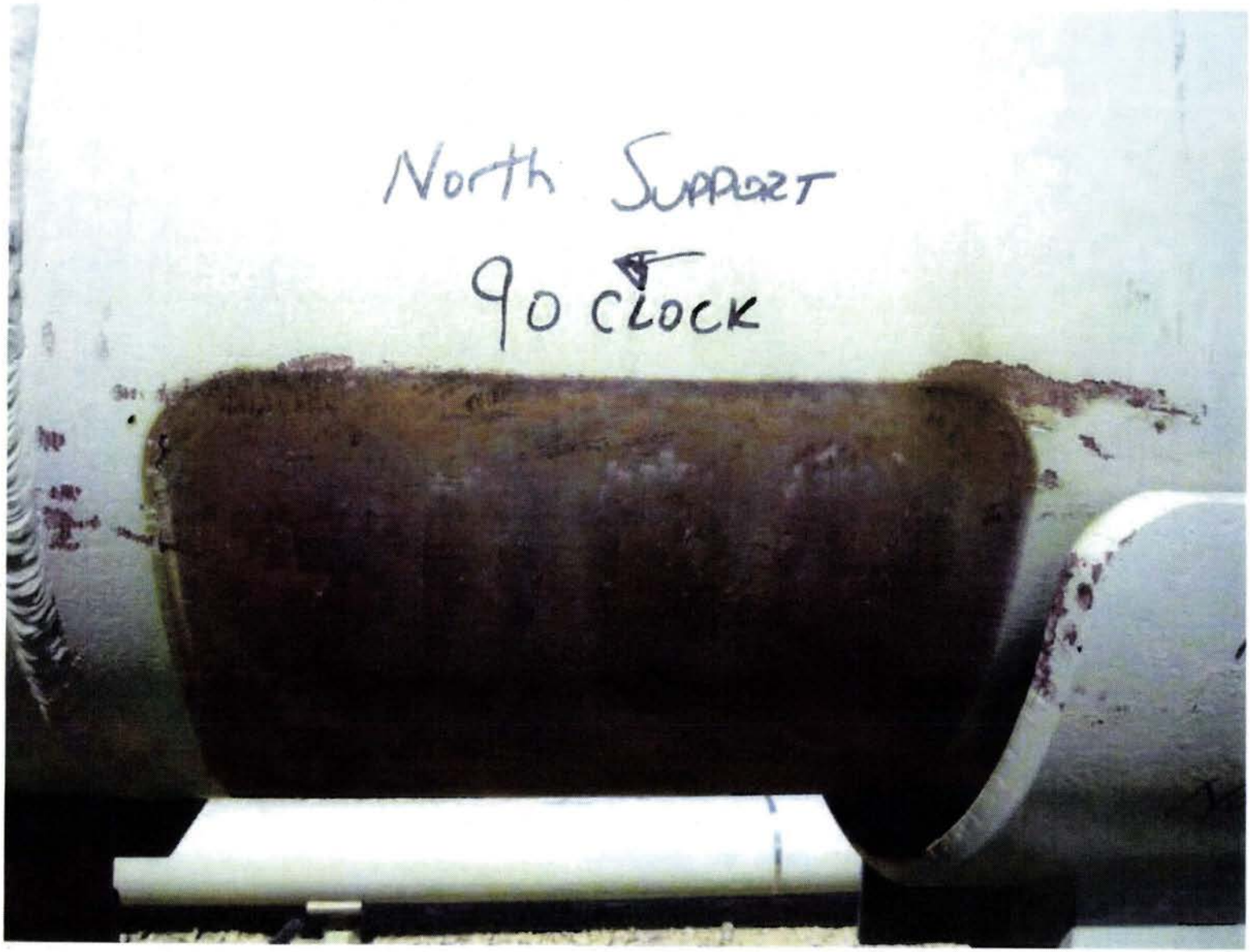
MP 51.991 After Work.
Completed 8-12-09

Silvertip Scraper Trap Before Work

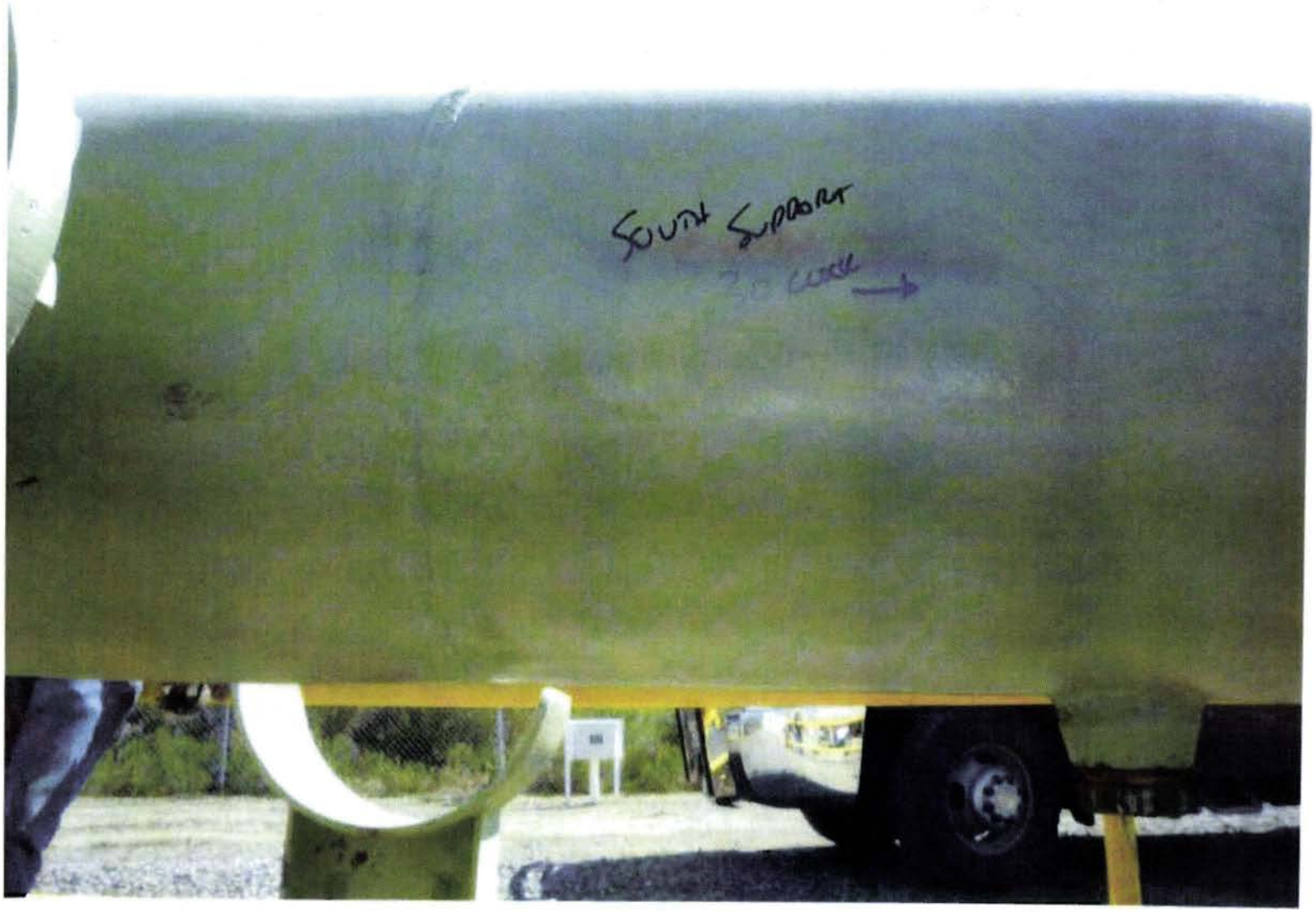
Silvertip Scraper Trap Before Work



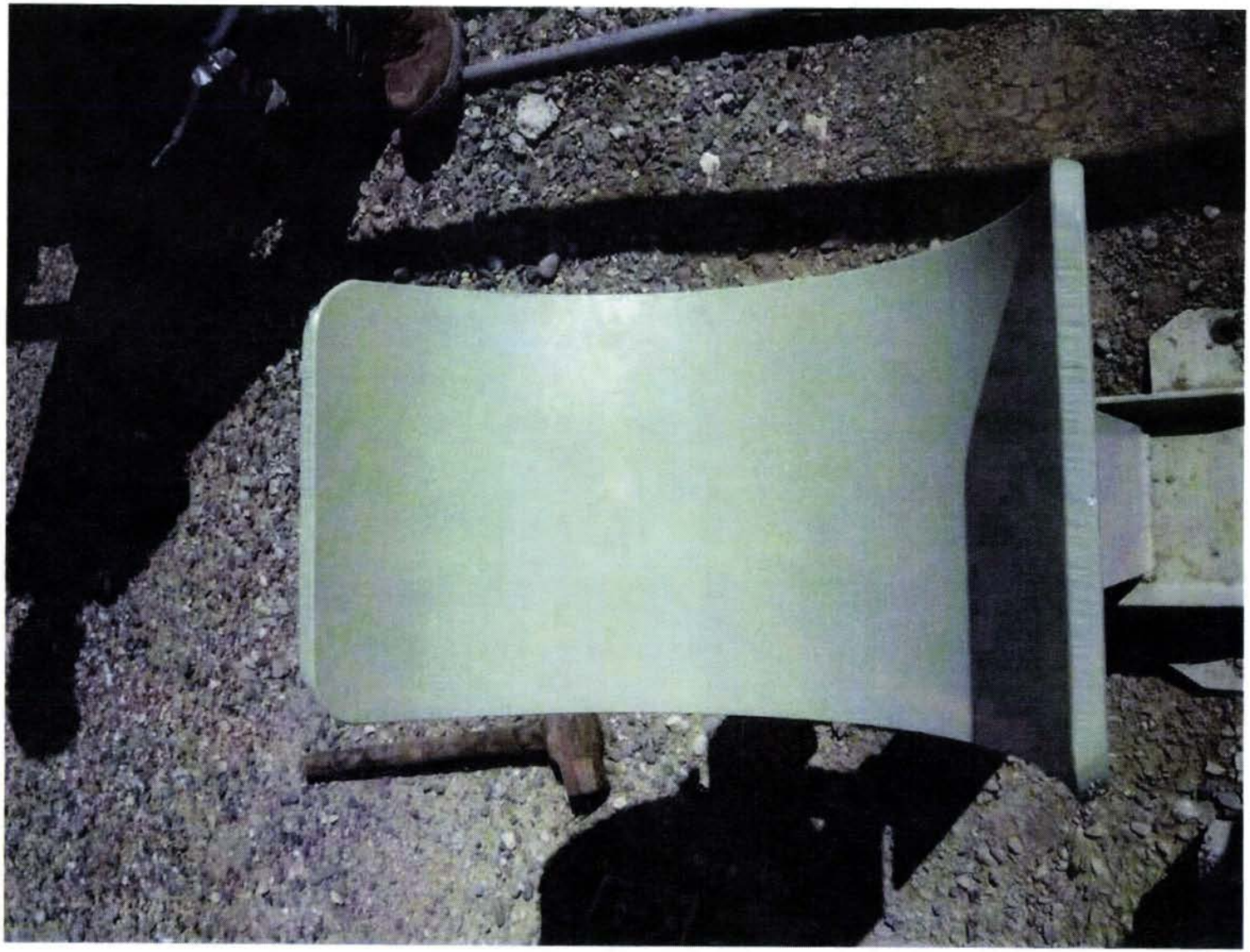
Silvertip Scraper Trap Before Work



Silvertip Scraper Trap After Work.
Completed 8-18-09



Silvertip Scraper Trap After Work.
Completed 8-18-09



Silvertip Scraper Trap After Work.
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End of Slide Show