



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington DC 20590

2017 Hazardous Liquid State Program Evaluation

for

NM PIPELINE SAFETY BUREAU

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Accident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (if applicable)
- I -- 60106 Agreement State (if applicable)



2017 Hazardous Liquid State Program Evaluation -- CY 2017
Hazardous Liquid

State Agency: New Mexico

Agency Status:

Date of Visit: 06/11/2018 - 08/31/2018

Agency Representative: Mr. Jason Montoya
Pipeline Safety Bureau Chief

PHMSA Representative: Clint Stephens
State Evaluator

Rating:

60105(a): Yes **60106(a):** No **Interstate Agent:** No

Commission Chairman to whom follow up letter is to be sent:

Name/Title: Mr. Sandy Jones, Chairman
Agency: New Mexico Public Regulation Commission
Address: 1120 Paseo de Peralta, 4th Floor
City/State/Zip: Santa Fe, New Mexico 87504-1269

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2017 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS	Possible Points	Points Scored
A Progress Report and Program Documentation Review	10	10
B Program Inspection Procedures	13	13
C Program Performance	43	43
D Compliance Activities	15	15
E Accident Investigations	11	11
F Damage Prevention	8	8
G Field Inspections	12	12
H Interstate Agent State (if applicable)	0	0
I 60106 Agreement State (if applicable)	0	0
TOTALS	112	112
State Rating		100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- | | | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 1 | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

The accuracy of operator/inspection units matches with information from office records. There were no issues.

- | | | | |
|---|----------------------------------------------------------------------------------------------------------------|---|---|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|----------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

The accuracy of inspection days matches with information from office records. There were issues.

- | | | | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 3 | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Accuracy of data in Attachment 3 correlates with information from office records and data in Attachment 1 of Progress Report. There were no issues.

- | | | | |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 4 | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. All reportable incidents documented in Progress Reports were verified in PDM. There were no issues.

- | | | | |
|---|------------------------------------------------------------------------------------------------------------------------|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Accuracy of compliance activities seem to correlate with information from office records. There were no issues.

- | | | | |
|---|-----------------------------------------------------------------------------------------------------------------------------------|---|---|
| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|-----------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Pipeline program files are stored in the PSB H:Drive, well organized and accessible to all pipeline staff. There were no issues.

- | | | | |
|---|--------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. Employee listing and completed training is accurate and complete. There were no issues.

- | | | | |
|---|-------------------------------------------------------------------------------------------------------------------------------|---|---|
| 8 | Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|-------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

There were no issues with adopting rules and amendments in Attachment 8 of Progress Report. There were no issues.

- | | | | |
|---|-------------------------------------------------------------------------------------------------------------------------------|---|---|
| 9 | List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 | 1 | 1 |
|---|-------------------------------------------------------------------------------------------------------------------------------|---|---|



Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Attachment 10 of Progress Report outlined in detail the planned performance of the PSB. Pointing out the damage prevention program and bringing more operators into compliance. There were no issues.

10 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no issues identified in Part A of Program Evaluation.

Total points scored for this section: 10
Total possible points for this section: 10



PART B - Program Inspection Procedures

Points(MAX) Score

-
- | | | | |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 1 | Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 2 | 2 |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 1, subsections V thru VIII and Section 3.

- | | | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 2 | IMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 1, subsections V thru VIII and Section 3.

- | | | | |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 3 | OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 1, subsections V thru VIII and Section 3.

- | | | | |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 4 | Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 1, subsections V thru VIII and Section 3.

- | | | | |
|---|--------------------------------------------------------------------------------------------|---|---|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 1 |
|---|--------------------------------------------------------------------------------------------|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 3, subsection IV.

- | | | | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 6 | Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 1, subsections V thru VIII and Section 3.

- | | | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------|
| 7 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements?
Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 6 |
| a. | Length of time since last inspection (Within five year interval) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Type of activity being undertaken by operators (i.e. construction) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Locations of operators inspection units being inspected - (HCA's, Geographic area, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| e. | Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| f. | Are inspection units broken down appropriately? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes. The process is outlined in Section 1, subsections V and VII of the New Mexico Pipeline Safety Program Standard Operating Procedures.

8 General Comments:

Info Only = No Points

Info Only Info Only

Evaluator Notes:

There were no issues identified in Part B of Program Evaluation.

Total points scored for this section: 13
Total possible points for this section: 13



PART C - Program Performance

Points(MAX) Score

- 1** Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 5
 Yes = 5 No = 0
- A. Total Inspection Person Days (Attachment 2):
121.00
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 0.25 = 55.37
- Ratio: A / B
121.00 / 55.37 = 2.19
- If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
Points = 5

Evaluator Notes:

Yes
 Ratio = A/B
 A = 121
 B = 220x.25

Ratio = 121/220 x .25=121/55=2.2 >=.38

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 5
 Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes No Needs Improvement
- b. Completion of Required IMP Training before conducting inspection as lead? Yes No Needs Improvement
- c. Root Cause Training by at least one inspector/prgram manager Yes No Needs Improvement
- d. Note any outside training completed Yes No Needs Improvement
- e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. Yes No Needs Improvement

Evaluator Notes:

Jason Montoya, Isaac Lerma, David De Paola, and Loretta Cuthrell have completed all core courses and are qualified to lead all inspection types.

There was no outside training completed in 2017.

The following inspectors have completed core course:

- Antonio Archuleta failed the 1250 Course on 5/11/18;
- Jon Harrison has completed one core course on 5/11/18;
- Jerry Nunez has completed two core courses as of 8/3/17;
- Bob Edwards has completed two core courses as of 6/16/17; and
- Philip Vigil has completed two core courses as of 7/21/17.

David De Paola left program August 4, 2017; Bob Edwards left program June 21, 2017; and Philp Virgil left program July 28, 2017.

- 3** Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. Jason Montoya has over eight years' pipeline safety program manager experience and is a licensed engineer.

4	Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 Yes = 2 No = 0 Needs Improvement = 1	2	2
----------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	---

Evaluator Notes:

Yes. Chair letter was sent on October 10, 2017; and response was received on December 7, 2017.

5	Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 Yes = 1 No = 0	1	1
----------	--------------------------------------------------------------------------------------------------------------------------------	---	---

Evaluator Notes:

Yes. The last training seminar was conducted in 2016 and scheduled for September 2018.

6	Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 Yes = 5 No = 0 Needs Improvement = 1-4	5	5
----------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	---

Evaluator Notes:

Yes. Upon review of seven different types of inspection reports the state met time intervals established in written procedures.

7	Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1 Yes = 2 No = 0 Needs Improvement = 1	2	2
----------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	---

Evaluator Notes:

Yes. The PSB utilizes the federal inspection form with added addendums to keep checklist current. All applicable portions of inspection form were completed.

8	Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 195.402(c)(5)? Yes = 1 No = 0	1	1
----------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	---

Evaluator Notes:

Yes. This question is included in the Federal gas distribution inspection form used by the PSB. There was an addendum added to the inspection form to include this as a question during inspections. This was verified during the review of inspection reports. There were no issues.

9	Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Yes = 2 No = 0 Needs Improvement = 1	2	2
----------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	---

Evaluator Notes:

Yes. The PSB is reviewing operator annual reports for accuracy, and is taking that data to analyze trends, and update their spreadsheet on risk rankings of based on that data. There were no issues.

10	Has state confirmed intrastate operators have submitted information into NPMS database along with changes made after original submission? Yes = 1 No = 0 Needs Improvement = .5	1	1
-----------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	---

Evaluator Notes:

Yes. This question is included in the Federal standard inspection form used by the PSB. There was an addendum added to the inspection form to include this as a question during inspections. This was verified during the review of inspection reports. There were no issues.

11	Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 Yes = 2 No = 0 Needs Improvement = 1	2	2
-----------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	---

Evaluator Notes:



Yes. Based on the review of Attachment 2 of Progress Report, there were no D&A inspections performed in 2017. There are 18 inspections scheduled for 2018 based on a 5-year inspection interval. There were no issues.

-
- | | | | |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 12 | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 195 Part G
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. Based on the review of Attachment 2 of Progress Report and verified through office records, the PSB spent 4.5 inspection days on OQ inspections in 2017. There were no issues.

-
- | | | | |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 13 | Is state verifying operator's hazardous liquid integrity management (L IMP) Programs are up to date? This should include a previous review of LIMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). (Are the State's largest operators programs being contacted or reviewed annually? Are replies to Operator IM notifications addressed? (formerly part of Question C-10)). 49 CFR 195.452 Appendix C
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. The PSB performed four LIMP inspections in 2017. The LIMP plans were reviewed, along with monitoring progress and updates of those plans. There were no issues.

-
- | | | | |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 14 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. PAPEI Effectiveness Inspections should be conducted every four years by operators. 49 CFR 195.440
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. The PSB performed 23 Public Awareness Program inspections in 2017. There were no issues.

-
- | | | | |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 15 | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public).
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. Enforcement cases are available on public website; the NM Gas Association meeting is bi-annual; and the NM Common Ground alliance meeting is bi-annual for communicating with stakeholders. The PSB has an intra-state mail list of operators that is used to email operators information about any new ADB's or regulation changes. There were no issues.

-
- | | | | |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 16 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

There were no SRC Reports. There is no issue.

-
- | | | | |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 17 | Did the state participate in/respond to surveys or information requests from NAPSr or PHMSA?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. The PSB did participate and respond to surveys on information requests from NAPSr and PHMSA. There were no issues.

-
- | | | | |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 18 | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. | 1 | 1 |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:

There were no active waivers/special permits for operators jurisdictional to the PSB.

19 Did the state attend the National NAPS Board of Directors Meeting in CY being evaluated? 1 1

Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:

Yes. Attended the National NAPS Board of Directors Meeting in CY2017 in Dublin, OH.

20 Discussion on State Program Performance Metrics found on Stakeholder Communication site ? <http://primis.phmsa.dot.gov/comm/states.htm> 2 2

Needs Improvement = 1 No = 0 Yes = 2

- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes No Needs Improvement
- b. NTSB P-11-20 Meaningful Metrics Yes No Needs Improvement

Evaluator Notes:

Yes. The Performance metrics was discussed with the PSB and it was noted that inspection days decreased per 1,000 miles of HL pipelines from 2014 to 2015, and the HL inspector qualification decreased from 2015 to 2016. The PSB has problems retaining qualified staff to inspect gas operators, but has been hiring new staff. The staff must complete core courses and gain experience through inspections before they can lead inspections. Recommend the PSB evaluate data from operator annual reports, PDM and inspection reports to identify trends that can affect the safety of those pipelines within the State of New Mexico.

21 Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT) Has the State updated SICT data? 1 1

No = 0 Yes = 1

Evaluator Notes:

Discussed with the PSB the accuracy of inspection day information submitted in the SICT tool. The PSB has updated its numbers to 64 inspection days from the SICT tool, compared with 121 days in Attachment 2 of Progress Report. The PSB stated that it will not have a problem meeting the numbers from the SICT tool for the HL program. There no issues.

22 Did the State verify Operators took appropriate action regarding Pipeline Flow Reversals, Product Changes and Conversions to Service? See ADP-2014-04 1 1

Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:

Yes. Question has been added to standard inspection forms as an addendum. There are no issues.

23 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

The following item was discussed with the PSB for improvement:
? The Performance metrics was discussed with the PSB and it was noted that inspection days decreased per 1,000 miles of HL pipelines from 2014 to 2015, and the HL inspector qualification decreased from 2015 to 2016. The PSB has problems retaining qualified staff to inspect gas operators, but has been hiring new staff. The staff must complete core courses and gain experience through inspections before they can lead inspections. Recommend the PSB evaluate data from operator annual reports, PDM and inspection reports to identify trends that can affect the safety of those pipelines within the State of New Mexico.

Total points scored for this section: 43
Total possible points for this section: 43



PART D - Compliance Activities

Points(MAX) Score

- | | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Procedures regarding closing outstanding probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes. The procedures are outlined in the New Mexico Standard Operating Procedures, Section I, subsection VIII. There are no issues.

- | | | | |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board director if municipal/government system? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Document probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| e. | Within 30 days, conduct a post-inspection briefing with the owner or operator of the gas or hazardous liquid pipeline facility inspected outlining any concerns; and | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| f. | Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes. The State followed compliance procedures and adequately documented all probable violations, including the resolution. There were no issues.

- | | | | |
|----------|------------------------------------------------------------------------------------------------------------------------|---|---|
| 3 | Did the state issue compliance actions for all probable violations discovered?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. Reasonable due process was given to all parties. There were no issues.

- | | | | |
|----------|-----------------------------------------------------------------------------------------------------------------------------------|---|---|
| 4 | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary.
Yes = 2 No = 0 | 2 | 2 |
|----------|-----------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. Reasonable due process was given to all parties. There were no issues.

- | | | | |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 5 | Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken)
Yes = 2 No = 0 | 2 | 2 |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. The program manager is familiar with the state process for imposing civil penalties. There were civil penalties accessed to HL operators in 2017. There were no issues.

- | | | | |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 6 | Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:



There were no civil penalties assessed to HL operators in 2017. There were no issues.

7 General Comments:
Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

There were no issues in Part D of Program Evaluation.

Total points scored for this section: 15
Total possible points for this section: 15



PART E - Accident Investigations

Points(MAX) Score

- 1 Does the state have written procedures to address state actions in the event of an incident/accident? 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. The procedure is outlined in the New Mexico Standard Operating Procedures, Section 2, Item 2, Scope. There were no issues.

- 2 Does state have adequate mechanism to receive and respond to operator reports of accidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 2
Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes No Needs Improvement
- b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes No Needs Improvement

Evaluator Notes:

Yes. The procedure is outlined in the New Mexico Standard Operating Procedures, Section 2, Subsection IX. There were no issues.

- 3 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

There were three reportable gas incidents in 2017. The PSB did not deploy on-site immediately to the Holly Energy (Eddy County) incident but after investigation a NOPV was sent to the operator. The PSB did not go on-site to the Enterprise and Holly Energy (Lea County) incidents; however, documentation for incident was recorded in the telephonic notices file in the H: Drive. There were no issues.

- 4 Were all accidents investigated, thoroughly documented, and with conclusions and recommendations? 3 3
Yes = 3 No = 0 Needs Improvement = 1-2

- a. Observations and document review Yes No Needs Improvement
- b. Contributing Factors Yes No Needs Improvement
- c. Recommendations to prevent recurrences where appropriate Yes No Needs Improvement

Evaluator Notes:

Yes. The PSB did not investigate all incidents; however, they were thoroughly documented indicating reason PSB decided to not go on-site and information to draw conclusion the site was deemed safe by the operator and the PSB.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes. The PSB initiated compliance action against Holly Energy in 2017 with one violation found during the incident investigation. There were no issues.

- 6 Did the state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator accident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. The PSB has taken follow-up actions related to operator incident to assist AID with accuracy and final incident report. There were no issues.



7 Does state share lessons learned from incidents/accidents? (sharing information, such as: 1 1
at NAPS Region meetings, state seminars, etc)
Yes = 1 No = 0

Evaluator Notes:

Yes. Information is shared with NAPS members during the State of State address during Regional meetings.

8 General Comments: Info Only Info Only
Info Only = No Points

Evaluator Notes:

There were no issues identified in Part E of Program Evaluation.

Total points scored for this section: 11
Total possible points for this section: 11



PART F - Damage Prevention

Points(MAX) Score

- | | | | |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. The procedure is included in the standard inspection as an addendum. There are no issues.

- | | | | |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 2 | Did the state inspector verify pipeline operators are following their written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. The procedure is included in the standard inspection as an addendum. There are no issues.

- | | | | |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. The procedure is included in the standard inspection as an addendum. There are no issues.

- | | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? (This can include DIRT and other data shared and reviewed by the pipeline safety program)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|

Evaluator Notes:

Yes. The PSB require 811 one-call submit monthly outlining damages reported and locate request. This data is then analyzed to determine trends based on comparisons with operator annual reports.

- | | | | |
|----------|--------------------------------------------|-----------|-----------|
| 5 | General Comments:
Info Only = No Points | Info Only | Info Only |
|----------|--------------------------------------------|-----------|-----------|

Evaluator Notes:

There were no issues identified in Part F of Program Evaluation.

Total points scored for this section: 8
Total possible points for this section: 8



PART G - Field Inspections

Points(MAX) Score

1 Operator, Inspector, Location, Date and PHMSA Representative Info Only Info Only
 Info Only = No Points

Name of Operator Inspected:
 Bluefish Pipeline LLC
 Name of State Inspector(s) Observed:
 Isaac Lerma, NMPRC
 Location of Inspection:
 Albuquerque/Santa Fe, NM
 Date of Inspection:
 August 27-28, 2018
 Name of PHMSA Representative:
 Agustin Lopez, PHMSA State Programs

Evaluator Notes:
 Evaluated Mr. Isaac Lerma conduct an inspection of Bluefish Pipeline LLC. Mr. Lerma reviewed O&M Procedures, records and a field inspection of the pipeline facilities.

2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? 1 1
 Yes = 1 No = 0

Evaluator Notes:
 Yes, the operator was notified with enough notice to have any representatives present during the inspection.

3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:
 Yes, Mr. Lerma used the PHMSA Hazardous Liquid Inspection form to guide him during the inspection. He documented the results on the form.

4 Did the inspector thoroughly document results of the inspection? 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:
 Yes, Mr. Lerma documented the results of the inspection on the Hazardous Liquid Inspection Form.

5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, valve keys, half cells, etc) 1 1
 Yes = 1 No = 0

Evaluator Notes:
 Yes, the operator had the proper equipment to perform tasks during the inspection.

6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

- a. Procedures
- b. Records
- c. Field Activities
- d. Other (please comment)

Evaluator Notes:
 Yes, Mr. Lerma reviewed the O&M Procedures, records and performed an inspection of the pipeline facilities.



7 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Mr. Lerma is very knowledgeable of the pipeline safety program and regulations. He explained the regulations to the operator whenever there were questions or issues.

8 Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) 1 1
 Yes = 1 No = 0

Evaluator Notes:

Yes, Mr. Lerma conducted an exit interview at the end of the inspection.

9 During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) 1 1
 Yes = 1 No = 0

Evaluator Notes:

Yes, Mr. Lerma discussed issues found during the inspection to the operator during the exit interview.

10 General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other Info Only Info Only
 Info Only = No Points

- a. Abandonment
- b. Abnormal Operations
- c. Break-Out Tanks
- d. Compressor or Pump Stations
- e. Change in Class Location
- f. Casings
- g. Cathodic Protection
- h. Cast-iron Replacement
- i. Damage Prevention
- j. Deactivation
- k. Emergency Procedures
- l. Inspection of Right-of-Way
- m. Line Markers
- n. Liaison with Public Officials
- o. Leak Surveys
- p. MOP
- q. MAOP
- r. Moving Pipe
- s. New Construction
- t. Navigable Waterway Crossings
- u. Odorization
- v. Overpressure Safety Devices
- w. Plastic Pipe Installation
- x. Public Education
- y. Purging
- z. Prevention of Accidental Ignition
- A. Repairs
- B. Signs
- C. Tapping



- D. Valve Maintenance
- E. Vault Maintenance
- F. Welding
- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

Evaluator Notes:

Mr. Lerma conducted a standard inspection of Bluefish Pipeline LLC which included review of procedures, records and a field inspection of the pipeline facilities. He was very observant during he field inspection in checking for signs, condition of ROW and condition of the pipeline facilities. He explained the regulations to the operator whenever the operator had questions or there were issues identified.

Total points scored for this section: 12
Total possible points for this section: 12



PART H - Interstate Agent State (if applicable)

Points(MAX) Score

1 Did the state use the current federal inspection form(s)? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

2 Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

3 Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

4 Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

5 Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

6 Did the state give written notice to PHMSA within 60 days of all probable violations found? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

7 Did the state initially submit documentation to support compliance action by PHMSA on probable violations? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

8 General Comments: Info OnlyInfo Only
Info Only = No Points

Evaluator Notes:

The New Mexico Pipeline Safety Bureau is not an Interstate Agent.

Total points scored for this section: 0
Total possible points for this section: 0



PART I - 60106 Agreement State (if applicable)

Points(MAX) Score

1 Did the state use the current federal inspection form(s)? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

2 Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

3 Were any probable violations identified by state referred to PHMSA for compliance? 1 NA
(NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.)
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

4 Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

5 Did the state give written notice to PHMSA within 60 days of all probable violations found? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

6 Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

7 General Comments: Info Only Info Only
Info Only = No Points

Evaluator Notes:

The New Mexico Pipeline Safety Bureau does not have a 60106 Agreement.

Total points scored for this section: 0
Total possible points for this section: 0

