

INFORMATIONAL HANDOUT

CONSTRUCTION GUIDELINE NEAR KINDER MORGAN HIGH PRESSURE
REFINED PETROLEUM PIPELINE

CONTRACT NO. 08-449104
ADDED PER ADDENDUM No. 1 DATED OCTOBER 1, 2013



ENERGY PARTNERS, L.P.
SFPP, L.P.

SFPP, L.P.
Operating Partnership

November 26, 2012

ENG 4-2-1 (105.2 - 111)
(2) LEASED
File Reference #12-826-1

Maria Lamere
R/W Utility Coordinator
State of California
Department of Transportation
Division of Right of Way, District 8
464 West Fourth Street, MS-950
San Bernardino CA 92401-1400

Re: Salton Creek Bridge
08-RIV-111-PM 1.1/1.9
EA: 449101

Dear Mrs. Lamere,

This is in reply to your letter dated October 12, 2012, concerning the above referenced project in Salton City, California.

Enclosed is a copy of drawing 485111CLYU, sheet 150, which respectively depicts the general alignment of Kinder Morgan's (KM) active 20-inch high pressure refined petroleum product pipeline. The drawing also shows the general alignment of KM's 12-inch pipeline that is being leased by Level 3 Communications as a fiber optic cable conduit. Information concerning this facility must be handled directly with Level 3 Communications.

In the interest of public safety and for pipeline protection the following provisions must be considered in the design and subsequent construction of improvements near KM pipeline facilities:

1. Adherence to applicable provisions enumerated in the enclosed copy of (a) L-OM200-29 "Guidelines for Design and Construction" relating to proposed projects affecting KM pipelines and (b) copy of Information Bulletin #03-001 issued from the office of the California State Fire Marshal concerning encroachments within and adjacent to pipeline easements.
2. Exact pipeline location can only be determined by pothole at maximum 50 feet intervals or as required by KM's onsite representative. The pothole work must be performed by hand excavation and in the presence of a pipeline representative. Arrangements for a pipeline representative can be made by contacting KM Senior Right of Way Specialist, James Pigg (602) 438-4225 at least two weeks prior to commencement of the potholing work.

3. Provide a construction schedule and notify KM of the pre-construction conference date and time at least two weeks prior to start of construction. A qualified, KM approved inspector must be present for all excavation within 10 feet of its pipeline. All excavation within 2 feet of the pipeline must be done by hand.
4. A KM pipeline representative will be maintained on site during construction activities over and adjacent to its pipeline easement to ensure that pipeline facilities are being adequately protected. KM does not have sufficient regular employees to monitor the construction work and therefore must hire qualified outside contract inspectors to perform this service. The inspection cost is based on \$600 per day plus 19.4% for G&A overhead multiplied by the number of estimated days that work will be performed near the pipelines. Execution of KM's agreement and deposit in the amount of the estimated inspection cost must be received before any work can be progressed within the pipeline easement.

When preliminary project plans have been formulated, based upon the field determination of substructure information, please forward a full sized set of drawings to this office showing KM pipelines in plan and profile (based on surveyed pothole data) relative to the planned improvements and existing conditions. Upon review of the preliminary plans we will provide necessary provisions for pipeline protection when working near these facilities.

If you have any questions regarding KM guidelines, please contact Mr. Victor E. Mantovani (714) 560-4717.

To avoid delays in response to future correspondence, please refer to File Reference number 12-826.

Sincerely,



D.R. Quinn
Manager - Pipeline Engineering

T: Quinn/letters/Eng4-2-1/12-826-1/vem

Enclosures

cc: J. C. Pigg w/copy of inquiry
V. E. Mantovani w/copy of inquiry



Guidelines for Design and Construction near Kinder Morgan Hazardous Liquid Operated Facilities

Name of Company: _____

The list of design, construction and contractor requirements, including but not limited to the following, for the design and installation of foreign utilities or improvements on KM right-of-way (ROW) are not intended nor do they waive or modify any rights KM may have under existing easements or ROW agreements. Reference existing easements and amendments for additional requirements. This list of requirements is applicable for KM facilities on easements only. Encroachments on fee property should be referred to the ROW Department.

Design

- KM shall be provided sufficient prior notice of planned activities involving excavation, blasting, or any type of construction on KM's ROW to determine and resolve any location, grade or encroachment problems and provide protection of our facilities and the public **before** the actual work is to take place.
- Encroaching entity shall provide KM with a set of drawings for review and a set of final construction drawings showing all aspects of the proposed facilities in the vicinity of KM's ROW. The encroaching entity shall also provide a set of as-built drawings showing the proposed facilities in the vicinity of KM's ROW.
- Only facilities shown on drawings reviewed by _____ (Company) will be approved for installation on KM's ROW. All drawing revisions that effect facilities proposed to be placed on KM's ROW must be approved by KM in writing.
- KM shall approve the design of all permanent road crossings.
- Any repair to surface facilities following future pipeline maintenance or repair work by KM will be at the expense of the developer or landowner.
- The depth of cover over the KM pipelines shall not be reduced nor drainage altered without KM's written approval.
- Construction of any permanent structure, building(s) or obstructions within KM pipeline easement is **not** permitted.
- Planting of shrubs and trees is not permitted on KM pipeline easement.
- Irrigation equipment i.e. backflow prevent devices, meters, valves, valve boxes, etc. shall not be located on KM easement.
- Foreign line, gas, water, electric and sewer lines, etc., may cross perpendicular to KM's pipeline within the ROW, provided that a minimum of two (2) feet of vertical clearance is maintained between KM pipeline(s) and the foreign pipeline. Constant line elevations must be maintained across KM's entire ROW width, gravity drain lines are the only exception. Foreign line crossings below the KM pipeline must be evaluated by KM to ensure that a significant length of the KM line is not exposed and unsupported during construction. When installing underground utilities, the last line should be placed beneath all existing lines unless it is impractical or unreasonable to do so. Foreign line crossings above the KM pipeline with less than 2 feet of clearance must be evaluated by KM to ensure that additional support is not necessary to prevent settling on top of the KM hazardous liquids pipeline.
- A foreign pipeline shall cross KM facilities at as near a ninety-degree angle as possible. A foreign pipeline shall not run parallel to KM pipeline within KM easement without written permission of KM.
- The foreign utility should be advised that KM maintains cathodic protection on their pipelines. The foreign utility must coordinate their cathodic protection system with KM's. At the request of KM, foreign utilities shall install (or allow to be installed) cathodic protection test leads at all crossings for the purposes of monitoring cathodic protection. The KM Cathodic Protection (CP) technician and the foreign utility CP technician shall perform post construction CP interference testing. Interference issues shall be resolved by mutual agreement between foreign utility and KM. All costs associated with the correction of cathodic protection problems on KM pipeline as a result of the foreign utility crossing shall be borne by the foreign utility for a period of one year from date the foreign utility is put in service.
- The metallic foreign line shall be coated with a suitable pipe coating for a distance of at least 10 feet on either side of the crossing unless otherwise requested by the KM CP Technician.



Guidelines for Design and Construction near Kinder Morgan Hazardous Liquid Operated Facilities

- AC Electrical lines must be installed in conduit and properly insulated.
- DOT approved pipeline markers shall be installed so as to indicate the route of the foreign pipeline across the KM ROW.
- No power poles, light standards, etc. shall be installed on KM easement
- No pipeline may be located within 50 feet (15 meters) of any private dwelling, or any industrial building or place of public assembly in which persons work, congregate, or assemble.

Construction

- Contractors shall be advised of KM's requirements and be contractually obligated to comply.
- The continued integrity of KM's pipelines and the safety of all individuals in the area of proposed work near KM's facilities are of the utmost importance. Therefore, contractor must meet with KM representatives prior to construction to provide and receive notification listings for appropriate area operations and emergency personnel. **KM's on-site representative will require discontinuation of any work that, in his opinion, endangers the operations or safety of personnel, pipelines or facilities.**
- The Contractor must expose all KM pipelines prior to crossing to determine the exact alignment and depth of the lines. A KM representative must be present. In the event of parallel lines, only one pipeline can be exposed at a time.
- KM will not allow pipelines to remain exposed overnight without consent of KM designated representative. Contractor may be required to backfill pipelines at the end of each day.
- A KM representative shall do all line locating. A KM representative shall be present for hydraulic excavation. The use of probing rods for pipeline locating shall be performed by KM representatives only, to prevent unnecessary damage to the pipeline coating.
- Notification shall be given to KM at least 72 hours before start of construction. A schedule of activities for the duration of the project must be made available at that time to facilitate the scheduling of Kinder Morgan, Inc.'s work site representative. Any Contractor schedule changes shall be provided to Kinder Morgan, Inc. immediately.
- Heavy equipment will not be allowed to operate directly over KM pipelines or in KM ROW unless written approval is obtained from (Company). Heavy equipment shall only be allowed to cross KM pipelines at locations designated by Kinder Morgan, Inc. Contractor shall comply with all precautionary measures required by KM to protect its pipelines. When inclement weather exists, provisions must be made to compensate for soil displacement due to subsidence of tires. Equipment excavating within ten (10) feet of KM Pipelines will have a plate guard installed over the teeth to protect the pipeline.
- Excavating or grading which might result in erosion or which could render the KM ROW inaccessible shall not be permitted unless the contractor/developer/owner agrees to restore the area to its original condition and provide protection to KM's facility.
- A KM representative shall be on-site to observe any construction activities within ten (10) feet of a KM pipeline or aboveground appurtenance. The contractor **shall not** work within this distance without a KM representative being on site. Only hand excavation shall be permitted within two (2) feet of KM pipelines, valves and fittings unless State requirements are more stringent. However, proceed with extreme caution when within three (3) feet of the pipe.
- A KM representative will monitor construction activity within 25 feet of KM facilities during and after the activities to verify the integrity of the pipeline and to ensure the scope and conditions agreed to have not changed. Monitoring means to conduct site inspections on a pre-determined frequency based on items such as: scope of work, duration of expected excavator work, type of equipment, potential impact on pipeline, complexity of work and/or number of excavators involved.
- Ripping is only allowed when the position of the pipe is known and not within ten (10) feet of KM facility unless company representative is present.
- Temporary support of any exposed KM pipeline by Contractor may be necessary if required by KM's on-site representative. Backfill below the exposed lines and 12" above the lines shall be replaced with sand or other selected material as approved by KM's on-site representative and thoroughly compacted in 12" lifts to 95% of standard proctor dry density minimum or as approved by KM's on-site representative. This is to adequately protect against stresses that may be caused by the settling of the pipeline.



Guidelines for Design and Construction near Kinder Morgan Hazardous Liquid Operated Facilities

- No blasting shall be allowed within 1000 feet of KM's facilities unless blasting notification is given to KM including complete Blasting Plan Data. A pre-blast meeting shall be conducted by the organization responsible for blasting. KM shall be indemnified and held harmless from any loss, cost of liability for personal injuries received, death caused or property damage suffered or sustained by any person resulting from any blasting operations undertaken within 500 feet of its facilities. The organization responsible for blasting shall be liable for any and all damages caused to KM's facilities as a result of their activities whether or not KM representatives are present. KM shall have a signed and executed Blasting Indemnification Agreement before authorized permission to blast can be given.

No blasting shall be allowed within 300 feet of KM's facilities unless blasting notification is given to KM a minimum of one week before blasting. *(note: covered above)* KM shall review and analyze the blasting methods. A written blasting plan shall be provided by the organization responsible for blasting and agreed to in writing by KM in addition to meeting requirements for 500' and 1000' being met above. A written emergency plan shall be provided by the organization responsible for blasting. *(note: covered above)*

- Any contact with any KM facility, pipeline, valve set, etc. shall be reported immediately to KM. If repairs to the pipe are necessary, they will be made and inspected before the section is re-coated and the line is back-filled.
- KM personnel shall install all test leads on KM facilities.
- Burning of trash, brush, etc. is not permitted within the KM ROW.

Insurance Requirements

- All contractors, and their subcontractors, working on Company easements shall maintain the following types of insurance policies and minimum limits of coverage. All insurance certificates carried by Contractor and Grantee shall include the following statement: "Kinder Morgan and its affiliated or subsidiary companies are named as additional insured on all above policies (except Worker's Compensation) and waiver of subrogation in favor of Kinder Morgan and its affiliated or subsidiary companies, their respective directors, officers, agents and employees applies as required by written contract." **Contractor shall furnish Certificates of Insurance evidencing insurance coverage prior to commencement of work and shall provide thirty (30) days notice prior to the termination or cancellation of any policy.**
1. Statutory Coverage Workers' Compensation Insurance in accordance with the laws of the states where the work is to be performed. If Contractor performs work on the adjacent on navigable waterways Contractor shall furnish a certificate of insurance showing compliance with the provisions of the Federal Longshoreman's and Harbor Workers' Compensation Law.
 2. Employer's Liability Insurance, with limits of not less than \$1,000,000 per occurrence and \$1,000,000 disease each employee.
 3. Commercial General Liability Insurance with a combined single limit of not less than \$2,000,000 per occurrence and in the aggregate. All policies shall include coverage for blanket contractual liability assumed.
 4. Comprehensive Automobile Liability Insurance with a combined single limit of not less than \$1,000,000. If necessary, the policy shall be endorsed to provide contractual liability coverage.
 5. If necessary Comprehensive Aircraft Liability Insurance with combined bodily injury, including passengers, and property damage liability single limits of not less than \$5,000,000 each occurrence.
 6. Contractor's Pollution Liability Insurance this coverage shall be maintained in force for the full period of this agreement with available limits of not less than \$2,000,000 per occurrence.
 7. Pollution Legal Liability Insurance this coverage must be maintained in a minimum amount of \$5,000,000 per occurrence.



INFORMATION BULLETIN #03-001

Date Issued: June 20, 2003

SUBJECT: ENCROACHMENTS INTO OR ON PIPELINE EASEMENTS

The purpose of this informational bulletin is to delineate the position of the State Fire Marshal regarding encroachments onto the pipeline easements.

Section 51014.6 of the California Government Code states, “ (a) Effective January 1, 1987, no person, other than the pipeline operator, shall do any of the following with respect to any pipeline easement: (1) Build, erect, or create a structure or improvement within the pipeline easement or permit the building, erection, or creation thereof. (2) Build, erect, or create a structure, fence, wall, or obstruction adjacent to any pipeline easement which would prevent complete and unimpaired surface access to the easement, or permit the building, erection, or creation thereof. (b) No shrubbery or shielding shall be installed on the pipeline easement which would impair aerial observation of the pipeline easement. This subdivision does not prevent the revegetation of any landscape disturbed within a pipeline easement as a result of construction the pipeline and does not prevent the holder of the underlying fee interest or the holder’s tenant from planting and harvesting seasonal agricultural crops on a pipeline easement. (c) This section does not prohibit a pipeline operator from performing any necessary activities within a pipeline easement, including, but not limited to, the construction, replacement, relocation, repair, or operation of the pipeline.

It is the position of the State Fire Marshal that nothing shall encroach into or upon the pipeline easement, which would impede the pipeline operator from complete and unobstructed surface access along the pipeline right of way. Nor shall there be any obstructions, which would shield the pipeline right of way from observation. In the interest of public safety and the protection of the environment, it is imperative that the pipeline operator visually assesses the conditions along the easement to ensure the integrity of the pipeline.

It is the responsibility of the pipeline operator to ensure they have unimpeded surface access and to be able to physically observe all portions of their pipeline rights of way. In cases where this is not possible, the pipeline operator shall inform the State Fire Marshal. The State Fire Marshal shall in conjunction with the pipeline operator resolve the issue.

Questions regarding the issue of pipeline encroachment can be addressed to:

Bob Gorham, Chief
Cal Fire/State Fire Marshal
Pipeline Safety Division
3950 Paramount Blvd. Suite 210
Lakewood, CA 90712

(562) 497-9100
(562) 497-9104 (fax)
bob.gorham@fire.ca.gov