

Arkansas Department of Health

4815 West Markham Street ◆ Little Rock, Arkansas 72205-3867 ◆ Telephone (501) 661-2000

Governor Mike Beebe

Nathaniel Smith, MD, MPH, Interim Director and State Health Officer

Engineering Section, Slot 37 www.HealthyArkansas.com/eng/ Ph 501-661-2623 Fax 501-661-2032 After Hours Emergency 501-661-2136

June 4, 2013

Mr. James M. McHaney, Jr. Hilburn, Calhoon, Harper, Pruniski & Calhoun, Ltd. One River Front Place, Eighth Floor P.O. Box 5551 North Little Rock, Ar 72114

RE:

Pegasus Oil Pipeline Lake Maumelle Watershed

Mr. McHaney:

This letter is in response to your correspondence dated May 15, 2013 concerning the above referenced oil pipeline and addressed to Nathaniel Smith, M.D. of the Arkansas Department of Health.

Following your correspondence concerning this matter, the Arkansas Department of Health conducted a review of the route the Pegasus crude oil pipeline takes as it traverses Arkansas as that route relates to known drinking water sources and associated watersheds. As a result of that review, correspondence to ExxonMobile and the Pipeline and Hazardous Materials Safety Adminstration was issued by this agency on June 3, 2013. A copy of that correspondence is enclosed with this letter.

The Arkansas Department of Health appreciates your correspondence on this matter and endeavors to facilitate drinking water source and watershed protection.

Sincerely,

Jeff Stone, P.E.

Director, Engineering Section Arkansas Department of Health

Cc: Mr Graham Rich, P.E., Chief Executive Officer, Central Arkansas Water, P.O. Box 1789, Little Rock, AR 72203

Jeff Stone



Arkansas Department of Health

4815 West Markham Street ◆ Little Rock, Arkansas 72205-3867 ◆ Telephone (501) 661-2000

Governor Mike Beebe

Nathaniel Smith, MD, MPH, Interim Director and State Health Officer

CERTIFIED

June 3, 2013

Ms. Caroline Henderson Central North Area Manager ExxonMobil Pipeline Company 800 Bell Street, Room 691-J Houston, TX 77002

Mr. Rodrick Seeley, Director PHMSA Pipeline Safety Southwest Region Office 8701 S. Gessner Road, Suite 1110 Houston, TX 77074

RE:

ExxonMobil Pegasus Pipeline Safety Arkansas Drinking Water Resources

Dear Ms. Henderson and Mr. Seeley:

The Arkansas Department of Health (ADH) has been actively monitoring the recent oil pipeline spill and remediation efforts located at Mayflower, Arkansas. The oil that spilled resulted in the evacuation of residents of that area. The released oil also impacted local water bodies. This incident has raised the Arkansas Department of Health's awareness of both the route that the Pegasus pipeline takes through the state of Arkansas in relation to drinking water supply sources and the apparent increasing potential for harm that could result from a spill at other points along this aging pipeline. The Arkansas Department of Health is the primacy agency for the federal Safe Drinking Water Act in the state of Arkansas. A component of Safe Drinking Water Act related activities includes source water assessment and protection.

Based upon our general knowledge of the route of the Pegasus pipeline through the state of Arkansas, it would appear that similar leaks to that which occurred at Mayflower could potentially impact as many as 18 drinking water sources in the state which provide a source of water to approximately 750,000 Arkansans. In addition, information readily available from the Pipeline and Hazardous Materials Safety Administration (PHMSA) clearly indicates that the safety of older pipelines utilizing pipe manufactured with now obsolete welding techniques is a concern. The Pegasus pipeline was constructed at a time when older techniques were utilized according to information obtained by our office.

The aging Pegasus pipeline that traverses vital drinking water source areas poses an unacceptable risk to the health and well-being of a large number of Arkansans. As a result, the Arkansas Department of Health requests that PHMSA ensure the following steps are taken prior to resumption of crude oil through this line.

Short Term Actions:

- ExxonMobil should conduct a thorough inspection and analysis of the integrity of the pipeline in Arkansas and provide documentation to water utilities potentially affected by another possible spill. All potential weaknesses in the pipeline located in their source water areas should be identified and corrected. The ADH will provide assistance in identifying all water sources at risk from any additional failures of the pipeline.
- ExxonMobil should install an adequate number of remotely operated valves and monitoring systems in order to minimize the amount of oil that would be released in the event of a spill in these critical areas around Arkansas.
- ExxonMobil should conduct appropriate maintenance of the pipeline in all areas in Arkansas where soil erosion, etc. has left the pipe unintentionally exposed and at greater vulnerability to damage.
- ExxonMobil should install isolation valves and protective encasement of the pipeline at all stream crossings in Arkansas.
- ExxonMobil should pre-stage adequate resources such as equipment and supplies in order to promptly and thoroughly respond to any spill in these Arkansas areas.
- ExxonMobil should provide each affected drinking water utility with updated emergency response
 plans that clearly detail the efforts that would be taken, in coordination with the local water utilities,
 to prevent impairment of drinking water sources in the event of another spill in Arkansas.

Medium Term Actionsⁱ:

- ExxonMobil should undertake planning for the replacement and removal of this pipeline from
 critical drinking water source areas in Arkansas. ExxonMobil shall provide opportunity for
 comments from the ADH concerning proposed relocation routes, so that critical drinking water
 source areas are accurately identified. The planning of an alternate route will incorporate the goal
 of minimizing the number of Arkansans that could be put at risk from an oil spill near drinking
 water sources.
- ExxonMobil will relocate the portions of this pipeline that pose risks to drinking water sources
 utilizing a route that will minimize the number of spill-related hazards to potentially exposed
 Arkansans.

Given the responsibility of all concerned to protect public safety, I request a response to this letter within 30 days indicating a willingness to take these reasonable and prudent actions.

Sincerely.

Nathaniel Smith, M.D., M.P.H.

Interim Director and State Health Officer

¹ Medium Term Actions shall be taken after PHMSA approval of resumption of crude oil through the Pegasus pipeline.