



March 1, 2010

Dear Council Member:

The minutes from our February 9, 2010 Neighborhood Eat & Meet meeting are attached. The next CAC meeting will be on **TUESDAY, MARCH 9** beginning with dinner at 5:00 p.m. The meeting will run from 5:30 to 7:30 p.m.

Sincerely,

Ann L. Clancy, Ph.D.  
Meeting Facilitator

Meeting Location: ConocoPhillips Learning Center  
415 South 24<sup>th</sup> Street

CONOCOPHILLIPS BILLINGS REFINERY  
CITIZENS ADVISORY COUNCIL  
February 9, 2010

MEETING MINUTES

**Present:** Council members: Nancy McCullough, Shirley McDermott, Linda Pettengill, Emily Schaffer, Gladys Stahl, Connie Wardell, Richard Wilson, Ernie Woods, Stella Ziegler  
ConocoPhillips management: Steve Steach, Reed Marton, Mark Hilbert  
Facilitator: Ann Clancy

**Absent:** Steve Arveschoug, Keith BearTusk, Paul Dextras, Hillary Harris, David McGinnis, John Pulasky, Jim Ronquillo

AGENDA

- Welcome/Introductions/Announcements
- Transportation 101
- Finalizing 2010 Projects, Topics & Timeline
- Refinery & Transportation Updates
- Next CAC Meeting: March 9, 2010

WELCOME/INTRODUCTIONS/ANNOUNCEMENTS

**Introductions**

New CAC member, Richard Wilson, Program Director and Faculty with the College of Technology Process Plant Technology Program, was welcomed as the replacement for Jim Hughs, former Director of the program. Richard is a retired employee from ExxonMobil and has been in the refining business for 35 years. He has been in the Billings area since 2000 and started teaching at the Process Plant Technology Program in October 2009. Richard has also done consulting work with the largest oil refinery in the world, the Jamnagar facility located in India.

**Honoring Jim Hughs**

Jim Hughs was honored for his tenure on the Citizens Advisory Council representing the Process Plant Technology Program at the College of Technology (COT). He was instrumental in coordinating visits and tours by the CAC to the facilities at the COT.

**Logistics**

There was a suggestion to add the start date of each CAC member to the membership list and on the name tags.

**Announcements**

Gladys Stahl announced that she received an email from Jay Churchill about his new refinery assignment in Saudi Arabia. Jay stated how he appreciated the friendships and

lasting relationships he made related to the Billings CAC and the experience hosting the regional CAC meeting at Chico Hot Springs in 2004.

## TRANSPORTATION 101

Mark Hilbert's introductory course on the ConocoPhillips Pipe Line Company (CPPL) began with a video about pipelines around the country. He then presented facts and information on CPPL:

- Operates 11,000 + miles of pipelines in the continental United States.
- Operates more than 48 storage terminals.
- Transports more than 3 million barrels per day of raw and refined petroleum products: crude oil, propane gasoline, diesel, jet fuel, and others.

He provided an overview of the Billings Division of the company:

- 109 employees (33 located in Billings)
- Operates 2534 Miles of Dept. of Transportation maintained pipeline
- Four pipeline systems
  - Seminoe Pipeline (100% CPPL)
  - Three Operated Joint Ventures Pipelines
    - Pioneer Pipe Line Co.
    - Yellowstone Pipe Line Co
    - Glacier Pipeline
  - Provides transportation services for four regional refineries
    - ConocoPhillips - Billings
    - ExxonMobil - Billings
    - Cenex Harvest States - Billings
    - Sinclair Oil – Sinclair WY
  - 21 Pump Stations
  - 186.3 MBPD Transported of Crude, and Refined Products
- Operates 12 Terminals with 3.0 MM BBLs of Storage Capacity
- Three operated Joint Ventures Terminals
  - Salt Lake, UT - Sinclair Oil
  - Missoula, MT & Thompson Falls, MT - ConocoPhillips / ExxonMobil

Mark provided some facts about the importance of pipelines:

- Pipelines play a critical role in the nation's economy & security.
  - Fuels carried in pipelines are used for motor vehicles, airplanes, ships, heating and cooking, and industrial and military uses. Other products are used to make plastics and chemicals.
- Pipeline Tariffs are set by the Federal Energy Regulatory Commission (FERC)
  - A tariff relates to the fees charged for the use of a particular pipeline system. These fees do not change due to day to day market conditions.
- Safety: Pipelines have a superior safety record compared to other modes of oil transportation (truck, rail, water)
- Efficiency: America's oil pipelines transport 17% of ALL U.S. freight, but cost only 2% of the nation's freight bill.

Mark pointed out that pipelines are the most feasible method for moving huge volumes of petroleum. Compared to other inland transport modes, pipelines: don't crowd

highways and rivers, produce negligible air pollution and have a lower spill rate per barrel of oil transported. One 150,000 barrels-per-day pipeline is equal to 750+ tanker truck loads per day and one 75-car train every day.

He presented the common products, uses and characteristics of what pipelines carry which varies from refined petroleum products like gasoline, diesel, jet fuel and heating oil to crude oil (feedstock for refined petroleum products), highly volatile liquids like butane and propane, and natural gas. Major pipeline equipment includes pipelines, valves, pumps and tanks. Pipelines are generally made of carbon steel and are welded, coated and have cathodic protection. Valves are used to control and direct product flow and isolate the system for maintenance and during an emergency. Pumps are used to move product through the system, are high pressure, and are driven by motors and different types of engines. Pump Stations are spaced from 25 to 100 miles apart. Tanks are used to store products. Pipelines move in and out of tanks on both ends. Each tank is designed to contain a specific type of product.

Petroleum products are sent through the pipelines through the process of batching. As a result, for example, a single pipeline can transport dozens of products and grades of gasoline. The CPPL has a control center in Ponca City, Oklahoma that is staffed 24/7. Employees use a satellite technology system to schedule and control movement of products through the systems and to monitor for possible releases and remotely operate block valves to isolate sections in case of emergency. Storage terminals are of two main kinds: product terminals and crude terminals. The average product terminal holds about 60,000 barrels of oil while the average crude terminal holds about 150,000 barrels.

### **Safety and Integrity**

Mark emphasized that the safety of the public and employees, and protection of the environment are CPPL's top priorities. The company operates pipelines in accordance with all applicable federal, state and local regulations. According to USDOT, the number of liquid pipeline accidents nationwide has decreased from 245 in 1994 to 113 in 2007.

To insure safety and integrity CPPL does aerial inspections, internal inspections, hydro testing, corrosion protection, protective coatings, cathodic protection and uses chemical inhibitors, pipeline markers, one-call participation and an excavator education and public awareness program.

### **Rights of Way (ROW)**

The Rights of Way or ROW is a strip of land usually about 25 to 150 feet wide containing one or more pipelines or other subsurface utilities like cable communications. The ROW enables pipeline personnel to gain access for inspection, maintenance, testing or emergencies. It also maintains an unobstructed view for frequent Aerial Surveillance of the Pipeline. ROWs are generally acquired through an agreement with property owners. Pipeline Companies are responsible for maintaining their Rights-of-Way to protect the public, environment and the pipeline. Typically, a permit must be obtained from the pipeline operator before any activity or encroachment in the ROW could take place.

### **Pipeline Emergencies**

Excavation damage is the major cause of pipeline emergencies followed by incorrect operation, equipment failure and corrosion.

Emergency Response Plans exist for each facility and area. Plans are provided to Local Emergency Planning Committees and there is training with local responders and state and federal agencies. To identify possible leaks, Mark said to rely on the senses:

- Smell – distinct petroleum, gasoline or “rotten egg” odors
- Sight – brown patches of vegetation, pool of liquid, low-lying fog, rainbow sheen on water
- Sound – hissing or roaring

In the event there is a leak, the following protocol is recommended:

- Turn off engines
- Get away from the area, keep others away.
- **Call 9-1-1**
- Call the pipeline operator. **(CPPL at 1-877-267-2290)** Notify the One Call Center if unknown, 8-1-1.
- DO NOT operate pipeline valves.
- DO NOT turn on engines or drive into the area.

In the unlikely event of a release from a pipeline or terminal, CPPL follows this protocol:

- Emergency shutdown systems shut down pipeline receipts, stop truck loading and close storage tanks at terminals, shut down pumping units and close key block valves along pipeline.
- CPPL notifies and coordinates with local responders, appropriate state and federal agencies, and oil spill response organizations.

### **Good Neighbor Program**

Mark ended with the following safety recommendations to the public:

- Avoid pipeline emergencies by using one-call centers to locate buried utilities before digging. Montana requires 2 working days notice before digging. 811-- Nationwide one-call number
- Contact CPPL at 1-877-267-2290 to report potential hazards on rights-of-way:
  - Excavating equipment that does not have our permission to be there
  - Pipe exposures, leaks, trash burning or sinkholes
  - Other hazardous, threatening or suspicious activity
- The first person to report any of the above conditions could earn a certificate for free gasoline
- Call Before You Dig: 811 or [www.callbeforeyoudig.org](http://www.callbeforeyoudig.org)
- CPPL Emergency: 1-877-267-2290
- CPPL Non Emergency: 1-800-231-2566
- CPPL Local Office: 406-255-5717
- [www.conocophillippipeline.com](http://www.conocophillippipeline.com)

## FINALIZING 2010 PROJECTS, TOPICS & TIMELINE

The following projects and topics were finalized for 2010 along with a timeline which is below.

Projects for 2010	Teams/Logistics
<p><b>Eat &amp; Meet</b></p> <ul style="list-style-type: none"> <li>• Offer actual demonstrations, incorporating something for kids</li> <li>• Theme: House energy efficiency</li> <li>• Educate &amp; distribute #81, right of way</li> <li>• Partner with Fire Dept &amp; Police Dept.</li> <li>• Promote right of way pipeline numbers to CAC and at Eat &amp; Meet</li> </ul>	<p><u>Team members:</u> Emily, Gladys, Jim, Linda</p> <p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• At March CAC meeting, determine theme, location &amp; date for the event.</li> <li>• Hillary Harris checked on RiverStone Health as a location year but the construction will not be completed.</li> </ul>
<p><b>Workforce Diversity</b></p> <ul style="list-style-type: none"> <li>• CoP develops a strategy &amp; tools</li> <li>• CAC provides feedback &amp; input on strategy</li> <li>• Strategy includes new &amp; creative ways of reaching out to Native American population, people of color, women</li> <li>• Outcomes: Education &amp; training, connect to community</li> <li>• Hold a CAC meeting at Garfield and have a presentation about community activities at Garfield School</li> </ul> <p><u>Ideas</u></p> <ul style="list-style-type: none"> <li>• Find ways to connect refinery to community through workforce development.</li> <li>• Workforce development – Native American population contacts. Also priority for refinery to increase diversity in plant. Develop opportunities at Garfield School where refinery is already helping to sponsor some programs. Consider that there are significant populations of Native American children at McKinley &amp; Broadwater Elementary Schools</li> <li>• Need to increase diversity of candidate pool for the refinery. What are concrete steps to take in hiring, promotion, etc?</li> <li>• Help retain refinery jobs and promote jobs using local expertise</li> </ul>	<p><u>Team members:</u> Tiffany, Keith, Shirley, Connie, Richard, David</p> <p><u>Action:</u></p> <ul style="list-style-type: none"> <li>• CAC March meeting at Garfield</li> <li>• At March CAC meeting, Tiffany Wilson will do update workforce diversity plan at the Billings refinery</li> <li>• After update at March CAC meeting, Workforce Diversity team meet to determine a plan for 2010</li> </ul>
<p><b>Coke Drum Journey as Educational Opportunity</b></p> <ul style="list-style-type: none"> <li>• Could tie into schools by tracking via GPS the route the drum pieces take</li> <li>• School kids could build a webpage for tracking (contact Jonathan Porta?)</li> </ul> <p><u>Ideas</u></p> <ul style="list-style-type: none"> <li>• Coke drum replacement communication plan – great educational opportunity to let kids track the progress of the drums via GPS. CAC can help in communicating to public.</li> </ul>	<p><u>Team members:</u> Shirley, Reed, Connie, Keith, Steve</p> <p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• Have a team meeting in March before the April 13 CAC meeting</li> <li>• Have a discussion and develop an action plan at April CAC meeting</li> </ul>

<p><b>Community Survey</b></p> <ul style="list-style-type: none"> <li>• Used 1990 survey as a base</li> <li>• Phone survey will be done in Februar</li> </ul>	<p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• Provide a report of survey results to the CAC at April meeting</li> </ul>
<p><b>Local Sustainable Scorecard Update</b></p> <ul style="list-style-type: none"> <li>• Continue to update and share scorecard results</li> <li>• Solicit CAC input on results of scorecard, especially implications for community and/or refinery</li> </ul>	<p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• Have an update at May CAC meeting</li> </ul>
<p>Topics for CAC Meetings</p>	<p>Teams/Logistics</p>
<p><b>Transportation 101</b></p> <ul style="list-style-type: none"> <li>• Update on pipeline business by Mark Hilbert</li> </ul>	<p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• Presented at February 9 CAC meeting</li> </ul>
<p><b>Global/US Economic Impact on Billings Refinery</b></p> <ul style="list-style-type: none"> <li>• Steve Steach provides update</li> </ul>	<p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• Presentation at March CAC meeting</li> </ul>
<p><b>Petroleum Geology</b></p> <ul style="list-style-type: none"> <li>• Topics for presentation: Upstream, natural gas, CBM, endangered species, climate change</li> <li>• Could have MPA or CoP person speak</li> <li>• Could hold in different venue?</li> </ul> <p><u>Ideas:</u></p> <ul style="list-style-type: none"> <li>• CoP take the lead in developing a conservation plan for Montana.</li> <li>• Information on climate change, natural gas role.</li> </ul>	<p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• CoP to find company and guest speakers on this topic to be presented at the May CAC meeting</li> </ul>
<p><b>Update on City/County Fire Training Facility Project</b></p> <ul style="list-style-type: none"> <li>• Talk about collaborative effort, e.g., joint drills.</li> </ul> <p><u>Ideas:</u></p> <ul style="list-style-type: none"> <li>• Be updated/involved in grant \$\$ dedicated for joint city/county and MSU-B for new Fire Science training facility in Billings. May be federal \$\$ available from Homeland Security.</li> <li>• Shared fire science training facilities.</li> <li>• Going from good to great in terms of the Fire Dept. and refinery relationship. How you practice is how you play – would like the Fire Dept. to allocate more time and resources to interface with CoP. Would like to develop and implement a plan that targets good areas and areas of improvement - measurable difference.</li> </ul>	<p><u>Team members:</u> Paul, Mark, Nancy, Dave, Steve A., Ernie</p> <p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• Team members meet before they do a presentation at June CAC meeting</li> </ul>
<p><b>Security Regulations</b></p> <ul style="list-style-type: none"> <li>• Talk about Homeland Security regulations regarding refinery site security plan</li> </ul>	<p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• Presentation at June CAC meeting by refinery</li> </ul>
<p><b>Tour of Refinery</b></p> <ul style="list-style-type: none"> <li>• After coker drums are in place</li> </ul>	<p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• Potential tour at October meeting to view coker drums</li> </ul>
<p><b>Billings Refinery – Update on Philanthropic &amp; Community Support</b></p> <ul style="list-style-type: none"> <li>• Talk about multiplier effect</li> </ul>	<p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• Presentation at October CAC meeting</li> </ul>
<p><b>Information on 2011 Refinery Turnaround</b></p> <ul style="list-style-type: none"> <li>• Talk about connection to local businesses (Steve A. with BSEDA)</li> </ul>	<p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>• Presentation at November CAC meeting</li> </ul>

<p><b>Legislative Issues Update</b></p> <ul style="list-style-type: none"> <li>Idea: Invite local legislators</li> </ul>	<p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>Presentation at November CAC meeting</li> </ul>
<p><b>Gateway Business Park Update</b></p> <ul style="list-style-type: none"> <li>Find out from BSEDA what is happening in the area</li> <li>What about the Business Incubator Program?</li> <li>Contact Chamber about what's happening in the area</li> </ul> <p><u>Ideas</u></p> <ul style="list-style-type: none"> <li>Continue efforts to invest turnaround dollars in community. Contact with local contractors.</li> <li>What to do with existing Montana Business Incubator? Refocus with energy sector focus. Talk to industry partners: MSU-B, Chamber, Beartooth RC&amp;D &amp; Big Sky EDA.</li> </ul>	<p><u>Team members:</u> Steve A., Jim, Stella</p> <p><u>Actions:</u></p> <ul style="list-style-type: none"> <li>Team to meet and identify what's happening in triangle area and what, if any role, the CoP or CAC has in 2010 with this development</li> <li>Stella to contact the Chamber to find out what they know about regarding development in the triangle area</li> <li>No CAC meeting dates identified yet</li> </ul>

Month	Activities
<b>February 8</b>	<ul style="list-style-type: none"> <li>Transportation 101 Presentation by Mark Hilbert</li> <li>Finalize CAC goals &amp; timeline for 2010</li> </ul>
<b>March 9</b>	<ul style="list-style-type: none"> <li><b>Meeting Location: Garfield School</b></li> <li>Update on Workforce Diversity Plan at Billings Refinery – Tiffany Wilson</li> <li>What's happening at Garfield School</li> <li>Global/US Economic Impact on Billings Refinery – Steve Steach</li> <li>Neighborhood Eat &amp; Meet Date, Theme &amp; Location</li> </ul>
<b>April 13</b>	<ul style="list-style-type: none"> <li>Team Report on Ideas for Coke Drum Educational Opportunity</li> <li>Community Survey Results Report</li> </ul>
<b>May 11</b>	<ul style="list-style-type: none"> <li>Petroleum Geology Presentation: Upstream, Natural Gas, CBM, Endangered Species, Climate Change</li> <li>Local Sustainability Scorecard Update</li> </ul>
<b>June 8</b>	<ul style="list-style-type: none"> <li>Refinery Security Regulations</li> <li>Update on City/County Fire Training Facility Project</li> </ul>
<b>July &amp; August</b>	<ul style="list-style-type: none"> <li><i>No CAC meetings</i></li> </ul>
<b>Sept. TBD</b>	<ul style="list-style-type: none"> <li>Neighborhood Eat &amp; Meet – House Energy Efficiency</li> <li>Location: TBD</li> </ul>
<b>October 12</b>	<ul style="list-style-type: none"> <li>Tour of Refinery: Coke Drums</li> <li>Update on Billings Refinery Philanthropic &amp; Community Support</li> <li>Debrief of Eat &amp; Meet</li> </ul>
<b>November 9</b>	<ul style="list-style-type: none"> <li>Update on 2011 Refinery Turnaround</li> <li>Legislative Issues Update</li> </ul>
<b>December 14</b>	<ul style="list-style-type: none"> <li>Review of Year</li> </ul>

## REFINERY UPDATE

**Safety:** After three years of no recordable employee injuries, there have been two incidents so far this year that were related to weather – two falls on the ice. As of February 4, there have been no recordable injuries for contractors. The Billings refinery, having received the Spirit Award for Safety, is very sensitive to maintaining high safety standards.

**Operations:** Fourth quarter earnings were down for a number of oil companies including ConocoPhillips. There is also a normal demand slump at this time due to winter weather. The company is looking at the value of crude runs and the margins to be made off the products distilled from the crude oil. This monetary value has decreased. ConocoPhillips like other oil companies is trying to minimize losses which are less here than in places like the West Coast and the Gulf area which seems much more competition.

## TRANSPORTATION UPDATE

**Environmental:** There was a leak on the Seminoe Pipe Line between the pump station and ExxonMobil tanks due to a seam split in the pipeline.

### Next Meeting Agenda – March 9, 2010

- Welcome/Introductions/Announcements
- Update on Workforce Diversity Plan at Billings Refinery
- What's Happening at Garfield School
- ConocoPhillips, US Refining & Billings Refinery Update
- Neighborhood Eat & Meet: Date, Theme, Location
- Refinery & Transportation Updates
- Next meeting: April