

Subject: Addendum #2, Internal Inspection Factual Report- Bellingham, WA

The following changes are made to the Internal Inspection Factual Report dated 12/06/00:

On page 1, paragraph 2, the last sentence is revised as follows:

A feature at wc 844+02 was reported in the area that subsequently ruptured with the Tuboscope evaluator's comment that it was a "possible wrinkle bend."

On Page3, the 2nd paragraph is revised as follows:

A caliper tool inspection of the 16-inch pipeline was made by Enduro on January 15, 1997, to determine the geometrical condition of the pipeline and to specifically detect buckles in compliance with the WDOE order. The graphical data for this inspection was presented on a scale of 1- inch equals 250 feet of pipe. Enduro provided a report that included the Anomaly Confirmation Sheet (Appendix 9) On the anomaly Confirmation Sheet, Enduro indicated the location of the 0.45 total sharp as being at Enduro station 843+69. This location corresponded to the same area identified by Tuboscope as a "possible wrinkle bend", which was the area that later ruptured. Enduro did not indicate in its report any information on a log indication approximately 14 feet downstream of the sharp at Enduro station 843+83. After the accident, the OPS consultant evaluated the Enduro log and correlated it to the log generated by the 1996 Tuboscope inspection in the area that ruptured. (Appendix 3, Smart Pig Data Analysis-Appendix D, page 2 of 3) In evaluating Enduro's log data, the OPS consultant determined that of the two indications, the 0.45 total sharp actually correlated to the location approximately 14 feet downstream that was previously identified by Tuboscope as a 23% metal loss defect and a feature identified as a "possible mash."