



CITGO Petroleum Corporation

P.O. Box 4689
Houston, TX 77210-4689

June 21, 2012

Federal Express Tracking # 7985 3673 5728 Priority Overnight

Mr. Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region
233 Peachtree Street Suite 600
Atlanta, GA 30303

Re: Notice of Probable Violation (CPF 2-2012-6011)

Dear Mr. Lemoi:

This response is to your letter dated May 25, 2012 regarding your facility inspection on our Beeline Pipe Line system in Fort Lauderdale, Florida.

On **item one**, §195.505 Qualification Program – Each operator shall have and follow a written qualification program.

CITGO contests this finding. CITGO does have, and follows, a written qualification program.

The inspector states that the questioned employee in step five of Task 17.1 “Determine access requirements to the location site” was not trained. Our records indicate that he was trained. See attachment A. Step six is “check locating equipment operation” and our records show that the employee was not trained in the operation of line locating equipment. It appears the inspector referenced the wrong step possibly (six instead of five) in their finding.

The employee that was interviewed answered the inspector properly. The questioned employee during the audit of March 28-30, 2012 did not have the training to perform OQ (Operator Qualification) Task 17, steps 6 and 7. CITGO’s records show that some of the eight steps in Task 17.1 were shown as “not proficient” for this employee. Therefore, the employee did not ever perform line locates under Florida’s One Call system where the use of such equipment was necessary. Those instances would have been met with deploying an employee who had been qualified in the use of such equipment. The employee was qualified to perform other tasks relating to line locating steps and described those activities to the inspector.

However, responding to this issue, CITGO made an immediate decision to re-train/re-evaluate all coordinators in the use of the equipment to avoid any further question on the clarity of which

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coordinator could respond to a line locate request. All three coordinators were reevaluated by an internal Subject Matter Expert on the use of the equipment on April 10th and were deemed qualified. See Attachment B.

On **item two**, §195.573 “What must I do to monitor external corrosion control?”

CITGO does not contest this finding. Plans are currently being made with an OQ certified contractor to engineer and repair the deficiencies of the four casing test leads and casing test stations. Preliminary estimates show total time of permitting, engineering, design and construction to be about four months.

On **item three**, §195.575 “Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?”

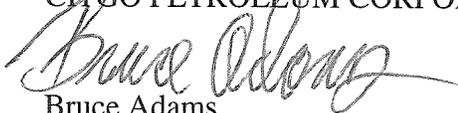
CITGO contests this finding. Item three is a redundant, linked subset of item two and the penalty should be removed. CITGO could not have performed the tests on the casings unless the test leads were installed to the carrier pipe and casing. Plans are being made with an OQ certified contractor to complete the inspection and testing immediately after the installation of the casing leads and lead test stations. CITGO could not perform item three without item two installed and in-service and believes citing it as such is not equitable.

In summary, CITGO is in agreement with item two. On items one and three, we do not agree with the findings and we respectfully request based on the information provided that the alleged violations and related penalties be withdrawn.

Please contact me with any questions or comments related to this letter. My office phone number is 832-486-1594, cellular number is 281-216-5913 and e-mail address is BAAdams@citgo.com. Your consideration of these requests is appreciated.

Sincerely,

CITGO PETROLEUM CORPORATION



Bruce Adams
Southeast Regional Terminal Facilities Manager
Terminal and Pipe Line Facilities

cc: Jim Sanders

Attachment A - Operator Qualification Evaluation Form for Howard Bell (06-23-2009; 3 pages)
Attachment B - Operator Qualification Evaluation Form for Howard Bell, Mario Lozano and Mike English (04-10-2012; 9 pages)

**Operator Qualification
Evaluation Form**

ISM
Attachment A

Task 17.1

CITGO Pipeline Company



Employee

First Name:	<i>Howard</i>	Last Name:	<i>Bell</i>
Title:	<i>operator</i>	SSN #:	<i>56716</i>
Location:	<i>Pt. Cavallades</i>		
Qualification Status:	<input checked="" type="checkbox"/> Qualified <input type="checkbox"/> Not Qualified		

Evaluation

Evaluator:	<i>Jerry Melton</i>	Date:	<i>6-23-09</i>
Evaluation Type:	<input type="checkbox"/> Job Performance <input checked="" type="checkbox"/> Simulation		
Operator Qualification Program Covered Task	49 CFR Part 195.422		
17	Provide Temporary Marking of Buried Pipeline Prior to Excavation (Temporary Marking)		
17.1	Locate Line		

Evaluation Elements

1	Interpret One-Call (dig) reports or make contact with excavators who may not have filed a One-Call Dig Notice to ascertain specifics of the excavation. <i>To determine excavator, purpose, date and location of excavation, contact person, etc.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element:
2	Identify pipeline section to be located. <i>Necessary to ensure marking of the proper line.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element:
3	Locate the most recent version of the maps and alignment drawings and review survey as-built information. <i>Maps are needed for accuracy of location.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element:
4	Interpret the maps, alignment drawings, and survey as-built information. <i>Proper interpretation is required for accurate locating.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element: <i>understands and can interpret maps and drawings</i>

Operator Qualification Evaluation Form

Task 17.1

CITGO Pipeline Company

5	Determine access requirements to the locate site.
	<i>Some ROWs are restricted.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
	<i>Had No Trouble here on restricted ROWs</i>
6	Check locating equipment operation.
	<i>Equipment needs to be operating properly for accurate locating.</i>
	<input type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input checked="" type="checkbox"/> Not Applicable
	Comments concerning this element:
7	Determine the line location and depth.
	<i>Use electronic line locating equipment to locate the line. Confirm the location, depth, and pipe diameter by probing for and contacting the line. This helps ensure the correct line was located. NOTE: Some line locations cannot be confirmed by probe contact due to great depth, impenetrable cover material, etc.</i>
	<input type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input checked="" type="checkbox"/> Not Applicable
	Comments concerning this element:
8	Identify potential Abnormal Operating Conditions and appropriate action to be taken.
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:

Abnormal Operating Conditions

Condition	Abnormal facility condition. Equipment malfunction.
Response	Verify that equipment is working properly.
Condition	Maps, survey records, and drawings not up to date.
Response	Ensure that drawings are updated.
Condition	Improper use of equipment.
Response	Assure that persons are trained to use the equipment needed for the task assigned.
Condition	Improper interpretation of maps/alignment drawings/survey data.
Response	Assure that persons are trained for proper interpretation of maps/alignment drawings/survey data.
Condition	Damage to or unsupervised third party construction on right-of-way.
Response	Make proper company notifications. If contractor is still on site performing unsupervised work, discuss danger of situation with contractor.
Condition	Fire / explosion. Fire from use of torches, etc.
Response	Evacuate the area immediately and notify emergency response team.

**Operator Qualification
Evaluation Form**

Attachment B

Task 17.1

CITGO Pipeline Company



Employee

First Name:	MICHAEL	Last Name:	ENGLISH
Title:		SSN #:	
Location:	PORT EVERGLADES TERMINAL		
Qualification Status:	<input checked="" type="checkbox"/> Qualified <input type="checkbox"/> Not Qualified		

Evaluation

Evaluator:	LARRY YOUNG	Date:	4-10-12
Evaluation Type:	<input type="checkbox"/> Job Performance <input checked="" type="checkbox"/> Simulation		
Operator Qualification Program Covered Task	49 CFR Part 195.422		
17	Provide Temporary Marking of Buried Pipeline Prior to Excavation (Temporary Marking)		
17.1	Locate Line		

Evaluation Elements

1	Interpret One-Call (dig) reports or make contact with excavators who may not have filed a One-Call Dig Notice to ascertain specifics of the excavation. <i>To determine excavator, purpose, date and location of excavation, contact person, etc.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element: <i>Michael is very familiar with this procedure</i>
2	Identify pipeline section to be located. <i>Necessary to ensure marking of the proper line.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element:
3	Locate the most recent version of the maps and alignment drawings and review survey as-built information. <i>Maps are needed for accuracy of location.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element: <i>Michael is familiar with the location and interpretation of their alignment sheet</i>
4	Interpret the maps, alignment drawings, and survey as-built information. <i>Proper interpretation is required for accurate locating.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element:

Operator Qualification Evaluation Form

Task 17.1

CITGO Pipeline Company

5	Determine access requirements to the locate site.
	<i>Some ROWs are restricted.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
	<i>Due to the years employed at this facility, Michael is very familiar with the restrictions to some of the locations</i>
6	Check locating equipment operation.
	<i>Equipment needs to be operating properly for accurate locating.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
7	Determine the line location and depth.
	<i>Use electronic line locating equipment to locate the line. Confirm the location, depth, and pipe diameter by probing for and contacting the line. This helps ensure the correct line was located.</i>
	<i>NOTE: Some line locations cannot be confirmed by probe contact due to great depth, impenetrable cover material, etc.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
	<i>Michael is very familiar with the operation and functionality of the line locator</i>
8	Identify potential Abnormal Operating Conditions and appropriate action to be taken.
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:

Abnormal Operating Conditions

Condition	Abnormal facility condition. Equipment malfunction.
Response	Verify that equipment is working properly.
Condition	Maps, survey records, and drawings not up to date.
Response	Ensure that drawings are updated.
Condition	Improper use of equipment.
Response	Assure that persons are trained to use the equipment needed for the task assigned.
Condition	Improper interpretation of maps/alignment drawings/survey data.
Response	Assure that persons are trained for proper interpretation of maps/alignment drawings/survey data.
Condition	Damage to or unsupervised third party construction on right-of-way.
Response	Make proper company notifications. If contractor is still on site performing unsupervised work, discuss danger of situation with contractor.
Condition	Fire / explosion. Fire from use of torches, etc.
Response	Evacuate the area immediately and notify emergency response team.

Operator Qualification Evaluation Form

Task 17.1

CITGO Pipeline Company



Employee

First Name:	MARIO	Last Name:	LOLANO
Title:	TERMINAL COORDINATOR	SSN #:	
Location:	PORT EVERGLADES TERMINAL		
Qualification Status:	<input checked="" type="checkbox"/> Qualified <input type="checkbox"/> Not Qualified		

Evaluation

Evaluator:	LARRY YOUNG	Date:	7-10-12
Evaluation Type:	<input type="checkbox"/> Job Performance <input checked="" type="checkbox"/> Simulation		
Operator Qualification Program Covered Task	49 CFR Part 195.422		
17	Provide Temporary Marking of Buried Pipeline Prior to Excavation (Temporary Marking)		
17.1	Locate Line		

Evaluation Elements

1	Interpret One-Call (dig) reports or make contact with excavators who may not have filed a One-Call Dig Notice to ascertain specifics of the excavation. <i>To determine excavator, purpose, date and location of excavation, contact person, etc.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element: <i>Mario is well versed in the procedure to answer the one-calls that pertain to their facility</i>
2	Identify pipeline section to be located. <i>Necessary to ensure marking of the proper line.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
3	Locate the most recent version of the maps and alignment drawings and review survey as-built information. <i>Maps are needed for accuracy of location.</i>
	<input type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
4	Interpret the maps, alignment drawings, and survey as-built information. <i>Proper interpretation is required for accurate locating.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element: <i>Mario understands the alignment drawings</i>

Operator Qualification Evaluation Form

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5	Determine access requirements to the locate site.
	<i>Some ROWs are restricted.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
	<i>Mario is aware of certain row restrictions and knows the correct proper procedure to obtain entrance</i>
6	Check locating equipment operation.
	<i>Equipment needs to be operating properly for accurate locating.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
7	Determine the line location and depth.
	<i>Use electronic line locating equipment to locate the line. Confirm the location, depth, and pipe diameter by probing for and contacting the line. This helps ensure the correct line was located.</i>
	<i>NOTE: Some line locations cannot be confirmed by probe contact due to great depth, impenetrable cover material, etc.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
	<i>Mario was aware of the functions of the locator</i>
8	Identify potential Abnormal Operating Conditions and appropriate action to be taken.
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:

Abnormal Operating Conditions

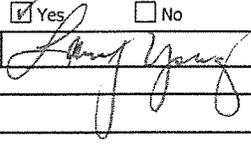
Condition	Abnormal facility condition. Equipment malfunction.
Response	Verify that equipment is working properly.
Condition	Maps, survey records, and drawings not up to date.
Response	Ensure that drawings are updated.
Condition	Improper use of equipment.
Response	Assure that persons are trained to use the equipment needed for the task assigned.
Condition	Improper interpretation of maps/alignment drawings/survey data.
Response	Assure that persons are trained for proper interpretation of maps/alignment drawings/survey data.
Condition	Damage to or unsupervised third party construction on right-of-way.
Response	Make proper company notifications. If contractor is still on site performing unsupervised work, discuss danger of situation with contractor.
Condition	Fire / explosion. Fire from use of torches, etc.
Response	Evacuate the area immediately and notify emergency response team.

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Condition	Pipeline system damage. Dents, gouges, etc.
Response	Perform initial damage assessment and notify appropriate personnel of damage.
Condition	Unexpected hazardous liquid or carbon dioxide encountered. Employee could discover a leak while performing this task.
Response	Notify local 911 emergency personnel if appropriate, make proper company notifications, try to identify and isolate source of leak if possible and if properly trained to do so.

Evaluation Complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Evaluator Signature:	

General Comments:

Mario is competent in this task

Operator Qualification Evaluation Form

Task 17.1

CITGO Pipeline Company



Employee

First Name:	HOWARD (Joseph)	Last Name:	BELL
Title:	TERMINAL COORDINATOR	SSN #:	
Location:	PORT EVERGLADES TERMINAL		
Qualification Status:	<input checked="" type="checkbox"/> Qualified <input type="checkbox"/> Not Qualified		

Evaluation

Evaluator:	LARRY YOUNG	Date:	4/10/12
Evaluation Type:	<input type="checkbox"/> Job Performance <input checked="" type="checkbox"/> Simulation		
Operator Qualification Program Covered Task	49 CFR Part 195.422		
17	Provide Temporary Marking of Buried Pipeline Prior to Excavation (Temporary Marking)		
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Evaluation Elements

1	Interpret One-Call (dig) reports or make contact with excavators who may not have filed a One-Call Dig Notice to ascertain specifics of the excavation. <i>To determine excavator, purpose, date and location of excavation, contact person, etc.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element: <i>Howard understands and answers the one-call reports on a regular basis</i>
2	Identify pipeline section to be located. <i>Necessary to ensure marking of the proper line.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element:
3	Locate the most recent version of the maps and alignment drawings and review survey as-built information. <i>Maps are needed for accuracy of location.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element: <i>Howard can locate the maps and understands the meaning of the maps</i>
4	Interpret the maps, alignment drawings, and survey as-built information. <i>Proper interpretation is required for accurate locating.</i> <input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable Comments concerning this element: <i>Howard understands the information that the alignment sheets contain.</i>

Operator Qualification Evaluation Form

Task 17.1

CITGO Pipeline Company

5	Determine access requirements to the locate site.
	<i>Some ROWs are restricted.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
6	Check locating equipment operation.
	<i>Equipment needs to be operating properly for accurate locating.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
7	Determine the line location and depth.
	<i>Use electronic line locating equipment to locate the line. Confirm the location, depth, and pipe diameter by probing for and contacting the line. This helps ensure the correct line was located.</i> <i>NOTE: Some line locations cannot be confirmed by probe contact due to great depth, impenetrable cover material, etc.</i>
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:
	<i>Howard understands the functions of their locator and can correctly use it.</i>
8	Identify potential Abnormal Operating Conditions and appropriate action to be taken.
	<input checked="" type="checkbox"/> Acceptable Performance <input type="checkbox"/> Unacceptable Performance <input type="checkbox"/> Not Applicable
	Comments concerning this element:

Abnormal Operating Conditions

Condition	Abnormal facility condition. Equipment malfunction.
Response	Verify that equipment is working properly.
Condition	Maps, survey records, and drawings not up to date.
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Condition	Fire / explosion. Fire from use of torches, etc.
Response	Evacuate the area immediately and notify emergency response team.

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Condition	Pipeline system damage. Dents, gouges, etc.
Response	Perform initial damage assessment and notify appropriate personnel of damage.
Condition	Unexpected hazardous liquid or carbon dioxide encountered. Employee could discover a leak while performing this task.
Response	Notify local 911 emergency personnel if appropriate, make proper company notifications, try to identify and isolate source of leak if possible and if properly trained to do so.

	Evaluation Complete	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	Evaluator Signature:	<i>Ken Young</i>	

General Comments:

Howard is competent in this task