

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 18, 2013

Joe Sudholt, Vice President
CountryMark Refining and Logistics, LLC
1200 Refinery Road
Mt. Vernon, IN 47620

CPF 3-2013-5031W

Dear Mr. Sudholt:

On November 27-30, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your facilities in Mt Vernon, Indiana and rural Illinois and rural southwestern Indiana.

As a result of the inspection, it appears that CountryMark Refining and Logistics, LLC (CountryMark) has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is:

1. §195.573 What must I do to monitor external corrosion control?

(e) Corrective action. You must correct any identified deficiency in corrosion control as required by Sec. 195.401(b). However, if the deficiency involves a pipeline in an integrity management program under Sec. 195.452, you must correct the deficiency as required by Sec. 195.452(h).

CountryMark did not correct identified deficiencies within a reasonable time on its Clay City, IL to Johnsonville, IL pipeline segment near station 790+21 after discovery of deficiencies identified from the external corrosion control monitoring required by **49 CFR §195.573(a)(1)**. Monitoring was conducted in calendar years 2011 and 2012 and identified a section of pipeline near station 790+21 at a crossing with a foreign pipeline where the pipeline was not adequately protected from corrosion. Repairs and/or correction of the cathodic protection on the pipeline

system were not completed at the time of the PHMSA inspection in November 2012. Information was submitted to PHMSA demonstrating that repairs were completed on September 5, 2013 with the replacement of 2.25 miles of pipe.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 3-2013-5031W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Linda Daugherty
Director, Central Region
Pipeline and Hazardous Materials Safety Administration