

**NOVEMBER 14, 2013**

Mr. Thomas Shaw  
President  
LOOP, LLC  
137 Northpark Blvd.  
Covington, LA 70433

**Re: CPF No. 4-2013-5015**

Dear Mr. Shaw:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and finds that LOOP, LLC, has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. R.M. Seeley, Director, Southwest Region, OPS  
Ms. CaSandra J. Cooper-Gates, Senior Vice President - Administration, LOOP, LLC

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

In the Matter of	)	
	)	
LOOP, LLC,	)	CPF No. 4-2013-5015
	)	
Respondent.	)	
	)	

**FINAL ORDER**

Pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an investigation of an accident that occurred on May 12, 2013, at the Clovelly Tank Facility operated by LOOP, LLC (LOOP or Respondent), in Clovelly, Louisiana. LOOP has fifteen breakout tanks at this facility, where crude oil is stored before it is distributed via connecting pipelines.<sup>1</sup> The investigation arose out of an accident involving Tank 6416 which resulted in the release of 7.6 barrels of crude oil.

As a result of the investigation, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated June 19, 2013, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that LOOP had violated 49 C.F.R. § 195.406 and proposed ordering Respondent to take certain measures to correct the alleged violation.

LOOP responded to the Notice by letters dated July 17, 2013, and August 16, 2013 (Response). The company did not contest the allegation of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

**FINDING OF VIOLATION**

LOOP did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 195.406(b), which states:

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<sup>1</sup> See <http://www.loopllc.com/Services/Tank-Storage> (last accessed September 27, 2013).

**§ 195.406 – Maximum operating pressure.**

(a) . . . .

(b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

The Notice alleged that Respondent violated 49 C.F.R. § 195.406(b) by failing to provide adequate controls to ensure that the pressure in its pipeline did not exceed 110 percent of the maximum operating pressure. Specifically, the Notice alleged that the technician performing maintenance activity on flow valve 6416 closed the valve while a delivery was being made to Tank 6416, and that the closure of this valve during the delivery caused an overpressure of the pipeline. The Notice alleged that LOOP's maintenance procedure did not specify that flow valve 6416 must remain open during deliveries to Tank 6416, and did not specify that no maintenance of this flow valve can take place during deliveries to Tank 6416. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.406(b) by failing to provide adequate controls to ensure that the pressure in its pipeline did not exceed 110 percent of the maximum operating pressure.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

**COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 195.406. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under Chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 195.406 (**Item 1**), Respondent has:
  - a. Performed a Root Cause Failure Analysis of the accident that occurred on May 12, 2013, and determined corrective actions that would prevent recurrence of similar overpressure events at the Clovelly Tank Facility;
  - b. Completed the corrective actions that were identified by the Root Cause Failure Analysis;
  - c. Revised its procedure titled "Tank Facility Tank Hydraulic Valve TFRHYDVLV Annual PM" to clarify notification and procedural requirements for the preventative maintenance activity;
  - d. Provided training to technicians and Control Room personnel with responsibility for the Clovelly Tank Facility to ensure that they understand revised procedures, corrective actions, and maximum operating pressures.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued