

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 14, 2015

Mr. Todd Denton
President
Phillips 66 Pipeline, LLC
3010 Briarpark Drive
Houston, Texas 77042

CPF 4-2015-5020W

Dear Mr. Denton:

On March 10, 2014, Phillips 66 Pipeline, LLC experienced an unintended release of crude oil at the Buxton Facility in Cushing, OK. As a result, the event was reported to the National Response Center (NRC) Report No. 1076239 with an estimated crude oil release of 600 barrels. A representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant Chapter 601 of 49 United States Code investigated the incident.

As a result of the investigation, it appears that you have committed Probable Violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. **§195.446 Control room management.**
 - (b) **Roles and Responsibilities.** Each operator must define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions. To provide for a controller's prompt and appropriate response to operating conditions, an operator must define each of the following:
 - (4) **A method of recording controller shift-changes and any hand-over of responsibility between controllers.**

Phillips 66 failed to follow procedures established in the P66PL General Operations Procedures (GEN-0009)-Shift Turnover Procedures that require that controllers cover each pipeline system, station by station, discussing all maintenance and operational issues, and covering all topics and document on the Shift Turnover and Console Checkout Form.

The P66 BCC Day Controller1 noted the decrease in the tank level for Tank 1501 and called the Field Day Operator to confirm and investigate this decrease. The BCC Day Controller1 did not document the decrease on the Shift Turnover and Console Checkout form that was turned over to the BCC Night Controller. The BCC Night Controller was not aware of the decrease in the tank level for Tank 1501.

2. §195.446 Control Room Management.

(b) Roles and Responsibilities. Each operator must define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions. To provide for a controller's prompt and appropriate response to operating conditions, an operator must define each of the following:

- (2) A controller's role when an abnormal operating condition is detected, even if the controller is not the first to detect the condition, including the controller's responsibility to take specific actions and to communicate with others;**

Phillips 66 failed to follow procedures as outlined in P66PL-AOC-0006; Abnormal Operating Conditions – Notification of Field Personnel. The P66 BCC Night Controller noted the decrease in the tank level for Tank 1501 on the Shift Turnover & Console Checkout Form that was turned over to the BCC Day Controller2 but did not notify the Field Night Operator to investigate or confirm the change in the tank level as required by the procedure.

3. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

- (3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

Phillips 66 failed to follow procedures established in P66PL-OPR-4001; Operator Rounds. This procedure requires that routine inspections be conducted and documented at process facilities which contain equipment to identify unsafe conditions, leaks, potential failure points, unauthorized access, theft, out of range/improper operations, malfunctioning and failed equipment. Phillips 66 did not have a record to document the operator round by the Field Night Operator of the station the night before the accident.

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. We advise you to correct the items identified in this letter. Failure to do so will result in Phillips 66 being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2015-5020W**. 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,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration