

## NOTICE OF AMENDMENT

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

March 12, 2012

Mr. Emmett Reagan  
Sr. VP Refining-SW Region  
Western Refining SW, Inc.  
Western Refining Pipeline Co.  
123 W. Mills Avenue  
El Paso, TX 79901-1310

**CPF 4-2012-5009M**

Dear Mr. Reagan:

Between February 28, and September 14, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Integrity Management Program in Bloomfield, New Mexico.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Western Refining's plans or procedures, as described below:

**1. §195.452 Pipeline integrity management in high consequence areas.**

- (f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:**

- (4) Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis (see paragraph (h) of this section);**

**§195.452 Pipeline integrity management in high consequence areas.**

- (h) What actions must an operator take to address integrity issues?**

**(4) Special requirements for scheduling remediation**

- (i) Immediate repair conditions. An operator's evaluation and remediation schedule must provide for immediate repair conditions. To maintain safety, an operator must temporarily reduce operating pressure or shut down the pipeline until the operator completes the repair of these conditions. An operator must calculate the temporary reduction in operating pressure using the formula in Section 451.6.2.2 (b) of ANSI/ASME B31.4 (incorporated by reference, see § 195.3). An operator must treat the following conditions as immediate repair conditions:**

- (A) Metal loss greater than 80% of nominal wall regardless of dimensions.**
- (B) A calculation of the remaining strength of the pipe shows a predicted burst pressure less than the established maximum operating pressure at the location of the anomaly. Suitable remaining strength calculation methods include, but are not limited to, ASME/ANSI B31G ("Manual for Determining the Remaining Strength of Corroded Pipelines" (1991) or AGA Pipeline Research Committee Project PR-3-805 ("A Modified Criterion for Evaluating the Remaining Strength of Corroded Pipe" (December 1989)). These documents are incorporated by reference and are available at the addresses listed in Sec. 195.3.**
- (C) A dent located on the top of the pipeline (above the 4 and 8 o'clock positions) that has any indication of metal loss, cracking or a stress riser.**
- (D) A dent located on the top of the pipeline (above the 4 and 8 o'clock positions) with a depth greater than 6% of the nominal pipe diameter.**
- (E) An anomaly that in the judgment of the person designated by the operator to evaluate the assessment results requires immediate action.**

Western Refining's Integrity Management Program procedure IM-08 defines the highest

operating pressure as “Pressure level identified as historical high pressure (4-hr. minimum duration) documented by records to have occurred within the past six months.” The historical high pressure should be defined as the highest operating pressure actually experienced at the location of the defect within the preceding two months. See FAQ 7.15(a). Western Refining must modify procedure IM-08 Note 2.

Western Refining modified procedure IM-08 Pipe Repairs, HCA Response Table, Note 2 on March 24, 2011. The modification is sufficient and no issue remains.

Western Refining’s Integrity Management Program procedure IM-08 Pipe Repairs, HCA Response Table, Note 4 defines  $P_{safe}$  as a pressure calculated in accordance with DOT 195.452(h)(i). Note 4 fails to capture the exact definition of  $P_{safe}$ .  $P_{safe}$  must be defined as the minimum of a 20% pressure reduction or the calculated safe pressure in accordance with DOT 195.452(h)(i). Western Refining must modify procedure IM-08 Note 4.

Western Refining modified procedure IM-08 Pipe Repairs, HCA Response Table, Note 4 on 3/24/2011. The modification is sufficient and no issue remains.

**2. §195.452 Pipeline integrity management in high consequence areas.**

**(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:**

**(5) A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section);**

**§195.452 Pipeline integrity management in high consequence areas.**

**(j) What is a continual process of evaluation and assessment to maintain a pipeline's integrity?**

**(5) Assessment methods. An operator must assess the integrity of the line pipe by any of the following methods. The methods an operator selects to assess low frequency electric resistance welded pipe or lap welded pipe susceptible to longitudinal seam failure must be capable of assessing seam integrity and of detecting corrosion and deformation anomalies.**

**(iii) External corrosion direct assessment in accordance with § 195.588; or**

Western Refining's Integrity Management Program procedure IM-02 Selection of an Integrity Assessment Method states 'Western Refining considers the following integrity assessment methods for its pipelines: In-Line-Inspection, Pressure Testing, Direct Assessment (DA), and Other or Alternative Technology.'

Western Refining informed the PHMSA inspectors that they do not utilize or intend to use DA and have not developed procedures for conducting DA. Western Refining's procedure IM-02 should reflect that DA is not used at this time and that procedures for DA will be developed if DA were to become a viable assessment method for Western Refining.

Western Refining modified page 1 of procedure IM-02 Selection of an Integrity Assessment Method on 3/21/2011. The modification is sufficient and no issue remains.

**3. §195.452 Pipeline integrity management in high consequence areas.**

**(m) How does an operator notify PHMSA? An operator must provide any notification required by this section by:**

- (1) Entering the information directly on the Integrity Management Database Web site at <http://primis.phmsa.dot.gov/imdb/>;**
- (2) Sending the notification to the Information Resources Manager, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, 1200 New Jersey Avenue, SE., Washington, DC 20590; or**
- (3) Sending the notification to the Information Resources Manager by facsimile to (202) 366-7128.**

The Western Refining Integrity Management Program, section 4.4.5 Submission of Notifications or Variance Requests and Reports to OPS list the incorrect internet web site and mailing address.

The web address is listed as <http://ops.dot.gov/>, but should be listed as <http://primis.phmsa.dot.gov/imdb/>. The mailing address is listed as Information Resources Manager, Office of Pipeline Safety, Research and Special Programs Office, U.S. Department of Transportation, Room 7128, 400 Seventh Street – Southwest, Washington, DC 20590, but should be listed as Information Resources Manager, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, 1200 New Jersey Avenue, SE, Washington, DC 20590. Section 4.4.5 is non-compliant with 195.452 (m)(1-3).

Western Refining modified the Integrity Management Program section 4.4.5 on 3/23/2011. The fax number was omitted since Western Refining does not choose to fax documents. The modification is sufficient and no issue remains.

### Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Western Refining maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Southwest Region, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2012-5009M** and, for each document you submit, please provide a copy in electronic format whenever possible.

In regards to Items listed above, Western Refining provided revised procedures via US Mail and/or email on various dates throughout the inspection. These procedure submittals were reviewed and deemed adequate. No further action is required in response to this Notice and this case is now closed. Thank you for your cooperation.

Sincerely,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*