



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 26, 2007

Mr. James Townsend
Holly Energy Partners
311 W. Quay
Artesia, NM 88210

SENT TO COMPLIANCE REGISTRY
Hardcopy Electronically
of Copies 1 / Date 2/26/07

CPF 5-2007-5011M

Dear Mr. Townsend:

On May 1, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your procedures for Mountain Home Tank Farm & Pipeline to Mountain Home Air Force Base in Mountain Home, Idaho.

On the basis of the inspection, PHMSA has identified the apparent inadequacy found within Holly Energy Partner's plan or procedure and is described below:

§195.432 Breakout tanks.

(b) Each operator shall inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to section 6 of API Standard 653. However, if structural conditions prevent access to the tank bottom the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3).

At the time of the inspection, Holly's Operation and Maintenance Manual included the requirement for inspection of in-service breakout tanks on an annual/15 month basis, but did not include the requirement that each operator shall inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tank according to **Section 6 of API Standard 653.**

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 60 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.

In correspondence concerning this matter, please refer to **CPF 5-2007-5011M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 J. Kenerson (#116736)