

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 27, 2016

Mr. Mick Rafter
Vice President, Operations and EHS
Tallgrass Pony Express Pipeline, LLC
370 Van Gordon Street
Lakewood, CO 80228

CPF 5-2016-5005M

Dear Mr. Rafter:

On March 23-26, 2015, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Tallgrass Pony Express Pipeline, LLC's procedures for Operations and Maintenance in Lakewood, Colorado.

On the basis of the inspection, PHMSA has identified an apparent inadequacy found within Tallgrass's plans or procedures for maintaining your crude oil pipeline systems, as described below:

1. **§ 195.214 Welding procedures.**
 - (a) **Welding must be performed by a qualified welder in accordance with welding procedures qualified under Section 5 of API 1104 or Section IX of the ASME Boiler and Pressure Vessel Code (incorporated by reference, see § 195.3) . The quality of the test welds used to qualify the welding procedure shall be determined by destructive testing.**

Tallgrass Pony Express Pipeline, LLC's (Tallgrass) procedures for welding did not include a qualified procedure for back welding and Tallgrass did not have a qualified back welding procedure. At the time of the inspection the operator was using a standard butt weld procedure for back welding (on the Pony Express Conversion project) and did not have a separate back welding procedure or an O&M Procedure requiring back welding to be performed using a separate back welding procedure.

According to API 1104, Section 5.4.1 (Essential Variables/General): A welding procedure must be re-established as a new procedure specification and must be completely requalified when any of the essential variables listed in Section 5.4.2 are changed. Section 5.4.2.3 (Changes Requiring Requalification/Joint Design) states: A major change in joint constitutes an essential variable design. Back welds are used as fillet welds when there is a different wall thickness. Also Section 5.3.2.5 (Filler Metal and Number of Beads) states: The sizes and classification number of the filler metal and the minimum number and sequence of beads shall be designated. The weld design for a back weld is that of a fillet weld and is different than a butt weld. Typically a "V" or "U" groove is used for a butt weld. Furthermore, the weld procedure qualifying tests should be recorded in detail per § 195.214(b).

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 sixty (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.

It is requested (not mandated) that Tallgrass Pony Express Pipeline, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2016-5005M** 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

cc: PHP-60 Compliance Registry
PHP-500 B. Brown (#149812)