

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

March 17, 2020

Mr. Gustavo J. Velasquez
Vice President Supply and Marketing
Citgo Petroleum Corporation (Terminals)
1293 Eldridge Parkway
Houston, TX 77077

CPF 1-2020-5005M

Dear Mr. Velasquez:

From August 27-31, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Citgo Petroleum Corporation (Terminals)'s (Citgo) facility in Linden, New Jersey.

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

1. § 195.202 Compliance with specifications or Standards.

Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

Citgo's construction specifications or standards were inadequate. Specifically, Citgo's specifications and standards failed to include procedures for testing aboveground breakout tanks (BOT) built to API Standard 650 and first placed into service after October 2, 2000, and for BOTs that were repaired, altered, or reconstructed and returned to service after October 2, 2000, in accordance with §§ 195.307(c) and (d).

Sections 195.307(c) and (d) state:

(c) For aboveground breakout tanks built to API Std 650 (incorporated by reference, see §195.3) and first placed in service after October 2, 2000,

testing must be in accordance with sections 7.3.5 and 7.3.6 of API Standard 650 (incorporated by reference, see §195.3).

(d) For aboveground atmospheric pressure breakout tanks constructed of carbon and low alloy steel, welded or riveted, and non-refrigerated tanks built to API Std 650 or its predecessor Standard 12 C that are returned to service after October 2, 2000, the necessity for the hydrostatic testing of repair, alteration, and reconstruction is covered in section 12.3 of API Standard 653 (incorporated by reference, see §195.3).

During the inspection, the PHMSA inspector requested procedures relative to BOT pressure testing. Citgo's provided its operations and maintenance (O&M) manual, revised April 2, 2017, which did not include adequate details related to § 195.307. The O&M manual did not state the necessary procedural steps to be taken to hydrostatically test BOTs, along with any required documentation to be used. This deficiency included both new BOTs subject to § 195.307(c) requirements and BOTs repaired, altered, or reconstructed and subject to the requirements of § 195.307(d).

Therefore, Citgo's construction specifications or standards were inadequate regarding BOT testing required by § 195.307.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If 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. § 190.206). 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 Citgo Petroleum Corporation (Terminals) maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628.

Please refer to **CPF 1-2020-5005M** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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