

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 20, 2012

Mr. Mike Moore
Vice President, Pipelines and Trucking Operations
Genesis Pipeline Alabama, LLC
919 Milam, Suite 2100
Houston, Texas 77002-5417

CPF 2-2012-6007M

Dear Mr. Moore:

From February 13-16, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected the Genesis Pipeline Alabama, LLC (Genesis-AL) Castleberry Pipeline's written operations and maintenance (O&M) procedures in Alabama pursuant to Chapter 601 of 49 United States Code.

On the basis of the inspection, PHMSA has identified apparent inadequacies within Genesis-AL's written procedures, as described below:

1. §195.422 Pipeline repairs.

. . . (b) No operator may use any pipe, valve, or fitting, for replacement in repairing pipeline facilities, unless it is designed and constructed as required by this part.

Genesis-AL's written procedures were inadequate because they did not require certain components to be designed and constructed in accordance with Part 195.

The *Genesis Energy Liquid & CO₂ Operations, Maintenance and Emergency Procedures Manual* (LOM&E) is used by all Genesis Energy, L.P. companies operating hazardous liquid pipelines regulated under 49 CFR Part 195. LOM&E Section 2.14 *Pipeline Repair and Maintenance* did not require that any pipe, valve, or fitting, used for replacement in repairing pipeline facilities, be designed and constructed in accordance with Part 195. The referenced procedure stated "*All repairs made must comply with 195.422...*"; however, it did not address how Genesis-AL would meet the requirements.

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 Genesis Pipeline Alabama, 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 Wayne T. Lemoi, Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 2-2012-6007M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region

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