

WARNING LETTER

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

July 24, 2013

Mr. Gary Koegeboehn
Vice President, Pipeline Operations
NuStar Pipeline Operating Partnership L.P.
2330 North Loop 1604 West
San Antonio, TX 78248

CPF 3-2013-5024W

Dear Mr. Koegeboehn:

On November 7 - 9, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the NuStar Pipeline Operating Partnership L.P. (NuStar) Public Awareness Program in San Antonio, Texas.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item and the probable violation are:

1. § 195.440 Public Awareness

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

NuStar failed to follow the general program recommendations of having an effectiveness evaluation of its Public Awareness Program every four years. The deadline for the effectiveness evaluation was June 20, 2010, which would have been four years after the written program's deadline of June 20, 2006. However, the effectiveness evaluation was done in-house by NuStar after survey information was received from the vendors in July 2010.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case,

and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in NuStar being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 3-2013-5024W**. 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).

Sincerely,

David Barrett
Director, Central Region
Pipeline and Hazardous Material Safety Administration