

JUNE 10, 2014

Mr. Peter Schwiering
President
Rose Rock Midstream, L.P.
3030 NW Expressway, Suite 1100
Oklahoma City, OK 73112

Re: CPF No. 3-2013-5028

Dear Mr. Schwiering:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$75,300. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated October 23, 2013. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ms. Linda Daugherty, Director, Central Region, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)	
In the Matter of)	
)	
Rose Rock Midstream, LP,)	CPF No. 3-2013-5028
)	
Respondent.)	
_____)	

FINAL ORDER

On June 6-10, June 23, and November 14-18, 2011, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Rose Rock Midstream, LP, (Rose Rock or Respondent) in Kansas and Oklahoma.

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated September 9, 2013, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Rose Rock had violated 49 C.F.R. §§ 195.406, 195.428 and 195.505 and proposed assessing a civil penalty of \$75,300 for the alleged violations.

Rose Rock did not respond to the Notice but paid the proposed civil penalty of \$75,300, as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

FINDINGS OF VIOLATION

In its Response, Rose Rock did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.406(b), which states:

§ 195.406 Maximum operating pressure.

(a) . . .

(b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

The Notice alleged that Respondent violated 49 C.F.R. § 195.406(b) by failing to provide adequate controls and protective equipment to control the operating pressure to not exceed 110 percent of the maximum operating pressure (MOP) on the El Dorado to Burton Station pipeline. Specifically, the Notice alleged that on April 11, 2011, Rose Rock recorded the “as left set pressure” of the pressure switch at the El Dorado station as 425 psig which was 150 percent of the MOP of 282 psig. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.406(b) by failing to provide adequate controls and protective equipment to control the operating pressure to not exceed 110 percent of the maximum operating pressure on the El Dorado to Burton Station pipeline.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.406(b) by permitting the pressure in the pipeline to exceed 110 percent of the MOP for the Arlington to Cunningham pipeline segment. Specifically, the Notice alleged that on July 9, 2010, the pressure at the Arlington junction reached 276 psig which is over 110 percent of the 248 psig MOP. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.406(b) by permitting the pressure in the pipeline to exceed 110 percent of the MOP for the Arlington to Cunningham pipeline segment.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 195.428(a), which states:

§ 195.428 Overpressure safety devices and overfill protection systems.

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

The Notice alleged that Respondent violated 49 C.F.R. § 195.428(a) by failing to inspect and test pressure limiting devices and control equipment, at intervals not exceeding 15 months, to determine that they were functioning properly, were in good mechanical condition, and were adequate for operation for the service in which they were used. Specifically, the Notice alleged that Rose Rock did not inspect and test pressure limiting devices for 14 locations during 2009-2011. It also did not inspect or test SCADA pressure limiting and shut down systems for 12 locations during 2009-2011. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.428(a) by failing to inspect and test pressure limiting devices and control equipment, at intervals not exceeding 15 months, to determine that they were functioning properly, were in good mechanical condition, and were adequate for operation for the service in which they were used.

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 195.505(b), which states:

§ 195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (a)
- (b) Ensure through evaluation that individuals performing covered tasks are qualified....

The Notice alleged that Respondent violated 49 C.F.R. § 195.505(b) by failing to ensure through evaluation that an individual performing a covered task was qualified. Specifically, the Notice alleged that the Aerial Patrol Pilot was qualified to perform “Covered Task #15 - Right of Way” inspections on May 10, 2006. According to Rose Rock’s Operator Qualification program, the individual should have been re-qualified by November 10, 2009, but was not re-qualified until June 6, 2010. During this period, the Aerial Patrol Pilot performed Covered Task #15 approximately thirty times. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.505(b) by failing to ensure through evaluation that an individual performing a covered task was qualified.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

The terms and conditions of this Final Order are effective upon receipt of service.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued