

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 14, 2017

Mr. Mark Cluff
Vice President, Safety & Operational Discipline
Mid-Continent Fractionation and Storage, L.L.C.
One Williams Center
P.O. Box 645
Tulsa, OK 74172

CPF 3-2017-6002W

Dear Mr. Cluff:

On March 21, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the Mid-Continent Fractionation and Storage, LLC (Mid-Continent Fractionation & Storage) onshore oil spill response plan located in Washington, DC.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. §194.121 Response plan review and update procedures.

(a) Each operator shall update its response plan to address new or different operating conditions or information. In addition, each operator shall review its response plan in full at least every 5 years from the date of the last submission or the last approval as follows:

(1) For substantial harm plans, an operator shall resubmit its response plan to OPS every 5 years from the last submission date.

Mid-Continent Fractionation & Storage did not resubmit its response plan to OPS five years from the last submission date. The Mid-Continent Fractionation & Storage oil spill response plan for the Conway Response Zone previously submitted to PHMSA was dated March 2010. In a letter to Mid-Continent Fractionation & Storage on March 10, 2014, the Director of OPS's Emergency Support and Security Division identified areas in the Plan that needed further attention. The letter also stated that Mid-Continent Fractionation & Storage must revise and resubmit a Response Plan for review by March 2015. PHMSA's records did not indicate that a Response Plan was re-submitted as required.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$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(s) identified in this letter. Failure to do so will result in Mid-Continent Fractionation and Storage, LLC 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 3-2017-6002W**. 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,

Allan C. Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

Enclosure – copy of letter from OPS to Midcontinent Fractionation & Storage, March 10, 2014

cc: David K. Lehman, Director Emergency Support and Security Division, OPS