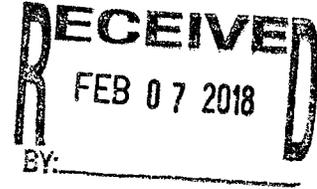




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February 2, 2018

Allan C. Beshore
Director, Central, OPS
Pipeline and Hazardous Materials Safety Administration
901 Locust Street Suite 462
Kansas City, MO 64106-2641



RE: NOTICE OF PROBABLE VIOLATION & PROPOSED COMPLIANCE ORDER CPF 3-2018-6001

Dear Mr. Beshore,

Caliber North Dakota LLC (Caliber) desires to contest with explanation the allegations set forth in the Notice of Probable Violation (NOPV), Proposed Civil Penalty, and Proposed Compliance Order CPF 3-2018-6001 concerning the failure to submit a response plan to PHMSA for review per §194.101.

Caliber has had a response plan in place for the Rawson Crude Oil System since 5/01/2014, as noted in the enclosed Response Plan in Section 1.0 Plan and Revisions. This plan was created four months prior to the commissioning of the Rawson System in August of 2014.

The terminus of the Rawson Crude Oil System is at the Alexander Crude Oil Stabilization Facility, also owned and operated by Caliber. Due to the storage volume of crude oil, and the facility's potential for environmental impact in the event of a release, a Facility Response Plan (FRP) was developed per 40CFR112 and was submitted to the EPA Region 8 office for review, and submitted to PHMSA on April 28, 2016.

Prior to submitting the Rawson Crude Oil System Response Plan to PHMSA per §194.101, Caliber utilized Mr. Jon Greiner, President of Basin Safety Consulting, to make administrative changes to the response plan to create a more complete and efficient document for use by Caliber field personnel. We were informed of the submission of the Response Plan on June 28, 2016 by Mr. Greiner, and thought the matter was closed.

The NOPV letter states the following with regards to subsequent contact attempts with Mr. Greiner:

On December 12, 2016, PHMSA staff contacted Mr. Greiner via email asking whether a complete plan was submitted to PHMSA and noted, "It appears to be an Operations and Maintenance Manual intended to satisfy 49 CFR 195.402 regulations, however does not contain the appropriate content of Part 194 - "Response Plans for Onshore Oil Pipelines."





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Mr. Greiner responded on January 20, 2017, stating, "I believe I sent you a previous version of the document. I am currently out of town, but will get you the updated version as soon as I return." No updated version was submitted. PHMSA staff attempted to contact Mr. Greiner again on March 28, 2017, but received no response.

Caliber was not informed by Mr. Greiner of these contact attempts, nor were we informed that a document that was deficient per 49 CFR 194 had been submitted.

Per §194.119(b):

If PHMSA determines that a response plan requiring approval does not meet all the requirements of this part, PHMSA will notify the operator of any alleged deficiencies, and to provide the operator an opportunity to respond, including the opportunity for an informal conference, on any proposed plan revisions and an opportunity to correct any deficiencies.

Caliber was not notified concerning any alleged deficiencies per §194.119(b). Had PHMSA attempted to contact Caliber directly concerning this matter as stated in §194.119(b), any deficiencies to the submitted Response Plan would have been rectified quickly, as the plan has been in existence since May of 2014. The first attempt from PHMSA to contact Caliber directly concerning any plan related deficiencies was the NOPV letter with Proposed Civil Penalty and Proposed Compliance Order received January 5, 2018.

It is for this reason that Caliber is respectfully requesting that the Proposed Civil Penalty of \$19,000.00 be eliminated. As to the associated Proposed Compliance Order, Caliber will submit the Response Plan within 60 days of receipt of the final order to PHMSA and Mr. Beshore. A copy of the response plan has been included in this mailing.

If you have any additional questions or concerns please feel free to contact me directly.

Sincerely,

Skip Vest
Manager, Quality, Health, Safety, Environment, and Regulatory
720-684-4388

cc:

