

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 2, 2020

Mr. Gregory P. Hill  
President & Chief Operating Officer  
HESS Corporation  
1501 McKinney Street, 28<sup>th</sup> Floor  
Houston, TX 77010

**CPF 3-2020-5001M**

Dear Mr. Hill:

On July 29 – August 2, August 5 – 9, 12 – 16 and 19 – 23, 2019, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Hess Corporation's (Hess) procedures for an Integrated Inspection in Minot, North Dakota.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Hess's plans or procedures, as described below:

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
  - (a) . . . .
  - (c) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
    - (1) . . . .
    - (3) **Operating, maintaining, and repairing the pipeline system in accordance with**

**each of the requirements of this subpart and subpart H of this part.**

§ 195.579 What must I do to mitigate internal corrosion?

(a) . . . .

(d) Breakout tanks. After October 2, 2000, when you install a tank bottom lining in an aboveground breakout tank built to API Spec 12F (incorporated by reference, see § 195.3), API Std 620 (incorporated by reference, see § 195.3), API Std 650 (incorporated by reference, see § 195.3), or API Std 650's predecessor, Standard 12C, you must install the lining in accordance with API RP 652 (incorporated by reference, see § 195.3). However, you don't need to comply with API RP 652 when installing any tank for which you note in the corrosion control procedures established under § 195.402(c)(3) why compliance with all or certain provisions of API RP 652 is not necessary for the safety of the tank.

Hess's Operation and Maintenance (O&M) Program was inadequate because it did not include requirements for internal linings of aboveground breakout tanks built after October 2, 2000. Specifically, the procedures, last revised on 3/5/2018, did not require breakout tank bottom linings to be installed in accordance with API RP 652 or note in the corrosion control procedures why compliance with API RP 652 is not necessary for the safety of the tank. Hess updated the procedures to address this item. No further action is required.

**2. §195.402(c)(3) – Procedural manual for operations, maintenance, and emergencies.**

(a) . . . .

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

(1) . . . .

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

§195.591 In-Line inspection of pipelines.

When conducting in-line inspection of pipelines required by this part, each operator must comply with the requirements and recommendations of API Std 1163, Inline Inspection Systems Qualification Standard; ANSI/ASNT ILI-PQ, Inline Inspection Personnel Qualification and Certification; and NACE SP0102-2010, Inline Inspection of Pipelines (incorporated by reference, see §195.3). An in-line inspection may also be conducted using tethered or remote control tools provided they generally comply with those sections of NACE SP0102-2010 that are applicable.

Hess's O&M Program did not include adequate in-line inspection (ILI) requirements for the qualification of ILI systems, including personnel, equipment, processes, and software utilization within the procedures. Specifically, the procedures did not require compliance with API Std 1163, Inline Inspection Systems Qualification Standard; ANSI/ASNT ILI-PQ, Inline Inspection Personnel Qualification and Certification; and NACE SP0102-2010, Inline

Inspection of Pipelines.

**3. § 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...**

Hess's OQ Program was inadequate because it did not ensure through evaluation that individuals performing covered tasks are qualified. Specifically, procedures did not require that performance evaluations be given in a one-on-one setting to ensure each individual is qualified rather than as a group exercise. Hess updated the procedures to address this item. No further action is required.

**4. § 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...**

§ 195.503 Definitions.

*Evaluation* means a process, established and documented by the operator, to determine an individual's ability to perform a covered task by any of the following:

(a) Written examination;

(b) Oral examination;

(c) Work performance history review;

(d) Observation during:

(1) performance on the job,

(2) on the job training, or

(3) simulations;

(e) Other forms of assessment.

Hess's OQ Program was inadequate because it did not include an evaluation process to determine an individual's ability to perform a covered task. Specifically, the procedure did not have task specific evaluation methods for each task. Hess updated the procedures to address this item. No further action is required.

**5. § 195.505 Qualification program.**

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

**(a) . . . .**

**(c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified...**

Hess's OQ Program was inadequate because it did not use accepted values for restrictions and limitations placed on provisions for non-qualified individuals to perform covered tasks while being directed and observed by a qualified individual. Hess updated the procedures to address this item. No further action is required.

**6. § 195.505 Qualification program.**

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

**(a) . . . .**

**(g) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed...**

Hess's OQ Program was inadequate because it did not identify for each covered task the interval at which evaluation of the individual's qualifications is required. Specifically, a generic value of 3 years for each task was used without adequate justification. For instance, the procedures listed 3-year evaluation periods for tasks where suppliers require more frequent evaluations, such as composite sleeve repair methods. Hess updated the procedures to address this item. No further action is required.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If 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. § 190.206). 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 HESS Corporation maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Allan C. Beshore, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2020-5001M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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