

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: jeff.ramsey@fhr.com , Randy.Lenz@fhr.com
and kim.gerold@fhr.com

October 14, 2020

Jeff Ramsey
President and CEO
Flint Hills Resources, LLC
4111 E. 37th Street North
Wichita, KS 67220

CPF 3-2020-5022M

Dear Mr. Ramsey:

From March 6 through August 16, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Flint Hills Resources, LLC (FHR) procedures on integrity management and corrosion control.

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

1. §195.452 Pipeline integrity management in high consequence areas.

(a)

(i) What preventive and mitigative measures must an operator take to protect the high consequence area?

(1) General requirements. An operator must take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area. These measures include conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Such actions may include, but are not limited to, implementing damage prevention best practices, better monitoring of cathodic protection where corrosion is a concern, establishing shorter inspection intervals, installing EFRDs on the pipeline segment, modifying the systems that monitor pressure and detect leaks, providing additional training to personnel on response procedures, conducting drills with local emergency responders and adopting other management controls.

FHR’s procedures do not define the criteria and measures to be used to identify, review or select preventative and mitigative actions needed to enhance public safety or environmental protection as required by 195.452(i)(1). FHR Integrity Management Procedure 3.8.3 does not specifically identify the methods used to apply risk analysis in the identification, review, selection or verification of preventative and mitigative measures for pipeline segments and facilities.

2. §195.452 Pipeline integrity management in high consequence areas

(a)

(l) What records must an operator keep to demonstrate compliance?--

(1) An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At a minimum, an operator must maintain the following records for review during an inspection:

- (i) A written integrity management program in accordance with paragraph (b) of this section.**
- (ii) Documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section.**

FHR’s Integrity Management Plan Section 3.8.3 does not specify the record keeping requirements for the decisions and analyses of preventative and mitigative measures as required by 195.452(l)(1)(ii).

3. §195.555 What are the qualifications for supervisors?

You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under § 195.402(c)(3) for which they are responsible for insuring compliance.

FHR's O&M Procedure, M1410100 Section 6.16, does not require the Corrosion Control Manager to maintain thorough knowledge of that portion of the corrosion control procedures established under §195.402(c)(3) for which they are responsible for insuring compliance.

FHR submitted amended procedure M1410100 on December 20, 2019. My staff reviewed the amended procedure, and it appears that the inadequacy outlined in this Notice of Amendment has been corrected. No further action on this item 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 Flint Hills Resources, LLC 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 Beshore, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 302020-5022M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Gregory A. Ochs
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

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

Cc: Randy Lenz, Senior VP Operations, Flint Hills Resources, 3120 117th St. E., Inver Grove Heights, MN 55077, Randy.Lenz@fhr.com

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