

## NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: [Cjorda@citgo.com](mailto:Cjorda@citgo.com); [Sbuckner@citgo.com](mailto:Sbuckner@citgo.com)

November 5, 2020

Mr. Carlos E. Jordá  
President and Chief Executive Officer  
Citgo Petroleum Corporation  
1293 Eldridge Parkway  
Houston, TX 77077

**CPF 3-2020-5029M**

Dear Mr. Jordá:

From April 29 to June 27, 2019, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Citgo Petroleum Corporation's (Citgo) Operations Manual and Emergencies Plan and Facility Response Plan in Houston, TX and Citgo's East Chicago Terminal in East Chicago, Indiana.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Citgo'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:**
    - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

**§ 195.428 Overpressure safety devices and overfill protection systems.**

**(a) ...**

**(d) After October 2, 2000, the requirements of paragraphs (a) and (b) of this section for inspection and testing of pressure control equipment apply to the inspection and testing of overfill protection systems.**

Citgo's procedure for testing the overfill protection device at the grade level on Aboveground Storage Tanks is inadequate because it does not provide a process on what needs to be performed and documented under this specific testing method. During the inspection, PHMSA reviewed Citgo's overfill protection device testing procedure and informed Citgo that it did not incorporate the method used by the East Chicago Terminal for testing the overfill protection system at the grade level on tanks equipped with a cable attached to the alarm chain at the top of the tank. Although Citgo subsequently revised the procedure to include the testing of the alarms at the grade level, it remains inadequate because there is no step-by-step detail on what needed to be performed and documented under this specific testing method.

**2. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(a) ...**

**(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:**

**(1) ...**

**(4) Taking necessary action, such as emergency shutdown or pressure reduction, to minimize the volume of hazardous liquid or carbon dioxide that is released from any section of a pipeline system in the event of a failure.**

Citgo's Emergencies Plan is inadequate because it did not contain processes or procedures including taking necessary action, such as emergency shutdown or pressure reduction, to minimize the volume of hazardous liquid that is released from any section of a pipeline system in the event of a failure. Instead, the necessary response actions addressing the referenced code requirement are in Citgo's Facility Response Plan (FRP). This process needs to be adequately established and/or referenced back to the FRP within the written Emergencies Plan to satisfy the regulatory requirement of 195.402(e)(4).

**3. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(a) ...**

**(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:**

**(1) ...**

**(5) Control of released hazardous liquid or carbon dioxide at an accident scene to minimize the hazards, including possible intentional ignition in the cases of flammable highly volatile liquid.**

Citgo's Emergencies Plan and FRP did not specifically include procedures for the control of released highly volatile liquid (HVL) and minimizing the hazards, including possible intentional ignition of an HVL release. This aspect of the regularity requirement applies to the East Chicago Terminal since the terminal receives Butane (among other hazardous liquids) which is classified as an HVL. The procedures reviewed in Citgo's FRP include a step for controlling and minimizing hazardous liquid releases whereas the Emergencies Plan did not contain detailed guidance similar to the FRP and/or a reference to it.

After the inspection, Citgo's FRP was revised to add a section specific to Butane Release Response which includes hazards minimization and intentional ignition of the vapor cloud under certain circumstances. However, this information needs to be adequately established in and/or referenced back to the revised FRP in the written Emergencies Plan to satisfy the regulatory requirement of 195.402(e)(5)

**4. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(a) ...**

**(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:**

**(1) ...**

**(6) Minimization of public exposure to injury and probability of accidental ignition by assisting with evacuation of residents and assisting with halting traffic on roads and railroads in the affected area, or taking other appropriate action.**

Citgo's Emergencies Plan is inadequate because it did not contain detailed procedures for minimizing public exposure to injury and probability of accidental ignition. The necessary response steps were found in the FRP. However, this information needs to be adequately established and/or referenced back to the FRP in the written Emergencies Plan to satisfy the regulatory requirement prescribed by 195.402(e)(6)

**5. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(a) ...**

**(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:**

**(1) ...**

**(8) In the case of failure of a pipeline system transporting a highly volatile liquid, use of appropriate instruments to assess the extent and coverage of the vapor cloud and determine the hazardous areas.**

Citgo's FRP and Emergencies Plan did not specifically include a procedure for the use of appropriate instruments to assess the extent and coverage of the vapor cloud and determine the hazardous areas resulting from highly volatile liquid releases. This aspect of the regularity requirement applies to the East Chicago Terminal since the terminal receives Butane (among other hazardous liquids) which is classified as an HVL.

After the inspection, Citgo's FRP was revised by adding a section specific to Butane Release Response. However, this information needs to be adequately established in the written Emergencies Plan and/or referenced back to the revised FRP to satisfy the regulatory requirement of 195.402(e)(8)

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 60 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 Citgo 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 3-2019-5029M** 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*

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