

WARNING LETTER

VIA ELECTRONIC MAIL TO: Mark.Cluff@williams.com, Clint.Ratke@williams.com, and Thomas.Dark@williams.com

March 25, 2021

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 3-2021-024-WL

Dear Mr. Cluff:

From March 27 to May 20, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected the records and facilities of your Mid-Continent Fractionation and Storage, L.L.C. system in McPherson, KS.

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

1. §195.412 Inspection of rights-of-way and crossings under navigable waters.

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

Mid-Continent inspected the surface conditions of its pipeline right-of-way at intervals that exceeded 3 weeks. PHMSA found from an inspection of aerial patrol records that the right-of-way was not inspected in the month of December, 2016 for all 56 miles of the Mid-Continent pipeline system.

2. §195.583 What must I do to monitor atmospheric corrosion control?

a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

| If the pipeline is located: | Then the frequency of inspection is: |
|------------------------------------|---|
| Onshore | At least once every 3 calendar years, but with intervals not exceeding 39 months |
| Offshore | At least once each calendar year, but with intervals not exceeding 15 months |

Mid-Continent failed to perform an atmospheric inspection at least once every 3 calendar years at its Conway East Truck Loading station. Specifically, Mid-Continent exceeded the 3 calendar year interval between 2016 and 2019. During a review of Mid-Continent atmospheric inspection records, PHMSA found that the Conway East Truck loading station was inspected on November 30th, 2016 and January 14th, 2020.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

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 items identified in this letter. Failure to do so will result in Mid-Continent Fractionation and Storage, L.L.C. 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 3-2021-024-WL**. 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,

James Bunn
Acting Director, Central Region, Office of Pipeline Safety
Gregory A. Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

CC:
Mr. Clint Ratke
Mr. Thomas Dark