



October 29th, 2021

Mr. Gregory Ochs
Director, Central Region
Office of Pipeline Safety
901 Locust Street, Suite 480
Kansas City, MO 64106

RE: CFR 3-2021-075-WL - WARNING LETTER

Dear Mr. Ochs,

Jayhawk Pipeline, LLC (Jayhawk) is submitting the following response to CFR 3-2021-075 WL issued by the Pipeline Hazardous Materials Safety Administration (PHMSA) on October 1, 2021:

Item #1 - §195.404 Maps and records.

Jayhawk Pipeline LLC (Jayhawk) did not maintain the inspection records for Tanks 4151 and 4152 in El Dorado, Kansas. Jayhawk leased these two tanks from a third party. Jayhawk indicated that the third party was responsible for the inspections required by API 653 and could get those records. However, Jayhawk is considered the operator of the tanks and should have requested and maintained those records during the time that they leased the tanks. Jayhawk recently ended the lease and is no longer using those tanks.

RESPONSE: Jayhawk believes that we did not communicate the details of the agreement properly during the inspection. According to section B(i) of the original storage agreement, "(facility owner) hereby agrees to provide shell storage space in Tanks 4151 and 4152 for storage of Customer's Product at the Facility ..." Furthermore, section C of the same agreement states, "(facility owner) shall be responsible for operating and maintaining the Facility, including tanks 4151 and 4152." Hence the agreement specifies that Jayhawk was only leasing storage space and not the physical tank. Additionally, the agreement specifies that the onus to operate and maintain the tanks, which would include maintaining adequate documentation, was the responsibility of the facility owner.

Item #2 - §195.432 Inspection of in-service breakout tanks.

Jayhawk did not inspect the external physical integrity of two in-service atmospheric within five years as required by API 653 Section 6.3.2.1.

During the records review, it was found that the following tanks exceeded the five-year inspection interval:

- Tank 4433: Roth Station on the KAW pipeline system – September 11, 2013 and May 29, 2019.
- Tank 2056 Chase Station – October 29, 2013 and May 30, 2019.

RESPONSE: Jayhawk agrees that there was an oversight regarding performing external 653 inspections on these tanks within the required five-year timeframe. As a means to prevent this situation from occurring in the future, required 653 inspections (both internal and external) will be included as preventive maintenance tasks in Jayhawk’s enterprise asset management (EAM) system. These tasks will be set up to provide emails to key personnel prior to the date that the inspection is required, which will minimize similar oversights in the future.

Item #3 - §195.589 What corrosion control information do I have to maintain?

Jayhawk did not maintain a record for the October 2020 internal corrosion coupon monitoring for the Chase and Liberal districts. Specifically, the following locations were missing the October 2020 internal corrosion coupon monitoring record:

<u>Operating Area</u>	<u>Line Segment</u>	<u>Last Inspection</u>
Chase	Chase to Lyons	3/10/2020
Liberal	Eubanks to Meade	4/4/2020
Liberal	Harper Ranch to Haviland	4/10/2020
Liberal	Hooker to Clawson	4/9/2020
Liberal	Liberal to Meade	4/14/2020
Liberal	Meade to Kismet	4/14/2020
Liberal	Taloga to Liberal	4/14/2020

RESPONSE: Jayhawk disagrees with this finding. It appears the report presented during the inspection did not contain all records due to improper filter criteria within the database. Jayhawk completed the required monitoring in a timely manner and the records from the Pipeline Compliance System (PCS) database accompany this response.

Item #4 - §195.452 Pipeline integrity management in high consequence areas.

Jayhawk did not conduct an Integrity Management Program effectiveness evaluation for 2019.

RESPONSE: Jayhawk agrees that the 2019 program effectiveness review was insufficient due to the change in risk systems and an adequate year over year comparison was not possible. The CHS P&T Integrated IMP has been updated along with the template for Appendix H-Annual IMP Evaluation and Effectiveness Review to capture additional steps that CHS and Jayhawk now take as part of the annual Program Effectiveness review. These steps include:

- Comparison of Risk scores year over year.
- Documenting whether and why any changes to the written program were deemed necessary.
- Comparing all CHS OPID incident numbers individually and in aggregate to industry reported incidents gathered from the PHMSA portal.

These steps were performed and documented in the 2020 Annual IMP Evaluation and Effectiveness review and presented to Central and Western region inspectors during a follow-up meeting on September 16, 2021. Based on CHS overall downward trend in incident rates, the program was found to be effective.

If you need any further information from Jayhawk, please contact myself at (620) 242-2412 or William Patton at (620) 755-5914.

Best regards,

A handwritten signature in blue ink, appearing to read "Craig Harms". The signature is fluid and cursive, with a long horizontal stroke at the end.

Craig Harms

Director of Operations

C: Greg Brown, VP Pipelines and Terminals
Michelle Slyder, Manager, DOT Compliance
Daryl Cram, Manager, Operations Compliance
William Patton, Manager, Pipeline Operations