

## NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: greg.brown@chsinc.com, Michelle.Slyder@chsinc.com

February 9, 2021

Mr. Greg Brown  
CHS Vice President Pipelines and Terminals  
Jayhawk Pipeline, L.L.C. President  
803 Highway 212 South  
Laurel, MT 59044

**CPF 3-2021-5005M**

Dear Mr. Brown:

From April 30, 2018, through August 17, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code inspected Jayhawk Pipeline, LLC's (Jayhawk) written operations and maintenance (O&M) procedures in McPherson, Kansas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Jayhawk'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.**

Jayhawk's procedure 813.1(c) for Tank Construction, Repair and Maintenance, effective February 2, 2018, fails to adequately reference the correct edition of the American Petroleum Institute (API) Standard (Std.) 650 as required by § 195.132(b)(3).

Specifically, Jayhawk procedure 813.1(c) for Tank Construction, Repair and Maintenance, effective February 2, 2018, does not reference API Std. 650, "Welded Steel Tanks for Oil Storage," 11th edition, June 2007, effective February 1, 2012, (including addendum 1 (November 2008), addendum 2 (November 2009), addendum 3 (August 2011), and errata (October 2011)).

Therefore, Jayhawk must amend its procedure to adequately reference the correct version of API 650.

**2. § 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.**

Jayhawk's procedure 813.1(a) for Tank Construction, Repair and Maintenance, effective February 2, 2018, fails to adequately reference the correct edition of API Recommended Practice (RP) 2350 that is required by § 195.428(c).

Specifically, Jayhawk procedure 813.1(a) for design and construction of aboveground breakout tanks, effective February 2, 2018, does not reference API Recommended Practice 2350, "Overfill Protection for Storage Tanks in Petroleum Facilities," 3rd edition, January 2005.

Therefore, Jayhawk must amend its procedure to adequately reference the correct version of API RP 2350.

**3. § 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.**

Jayhawk's procedure 813.1(e) for Tank Construction, Repair and Maintenance, effective February 2, 2018, fails to adequately reference the correct edition of API Std 653 that is required by § 195.432(b).

Specifically, Jayhawk procedure 813.1(e) for design and construction of aboveground breakout tanks, effective February 2, 2018, does not reference API Standard 653, “Tank Inspection, Repair, Alteration, and Reconstruction,” 3rd edition, December 2001, (including addendum 1 (September 2003), addendum 2 (November 2005), addendum 3 (February 2008), and errata (April 2008)).

Therefore, Jayhawk must amend its procedure to adequately reference the correct version of API Std 653.

**4. § 195.452 Pipeline integrity management in high consequence areas.**

**(a) . . .**

**(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:**

**(4) Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis (see paragraph (h) of this section);**

Jayhawk’s Integrity Management (IM) procedures failed to properly define the criteria for remedial action as required by § 195.452(h)(4)(iii)(D).

Specifically, Jayhawk’s IM Procedure for 180-day repair conditions procedure 5.6.3.4, effective June 15, 2017, incorrectly states that the remaining strength of the pipe is less than ‘maximum operating pressure’ (MOP) at the anomaly instead of the ‘operating pressure.’

Therefore, Jayhawk must amend its procedure to adequately define a 180-day repair condition.

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 Energy Transfer Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Gregory A. Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2021-5005M** 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: Michelle.Slyder@chsinc.com , Director Regulatory Compliance