

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: Brad.Barron@nustarenergy.com and gary.koegeboehn@nustarenergy.com

January 28, 2022

Mr. Brad Barron
President and Chief Executive Officer
NuStar Pipeline Operating Partnership, L.P.
19003 IH-10 West
San Antonio, Texas 78257

RE: NuStar Logistics, L.P.

CPF 3-2022-007-NOA

Dear Mr. Barron:

From February 24, 2020, through December 9, 2020, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected NuStar Logistics, L.P.'s (NuStar)¹ procedures for its pipeline facilities in Texas, Oklahoma, New Mexico, and Colorado subject to 49 CFR Part 195.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within NuStar's procedures, as described below:

¹ NuStar Pipeline Operating Partnership, L.P. operates the assets of NuStar Logistics, L.P.

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.**

During the PHMSA inspection, pipeline pig launcher and receiver kicker valves were observed partially opened to ensure thermal relief of the barrel during non-pigging operations. However, NuStar's O&M procedures 317 and 318 did not specifically identify that launcher and receiver kicker valves be left in this state to ensure thermal relief during non-pigging operations and provide safety during normal operations. NuStar's procedures were therefore inadequate and did not adequately address the requirements of § 195.402(c)(3). On November 16, 2021, NuStar submitted amendments to the procedures that satisfactorily address this inadequacy. No further action is required.

2. **§ 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 failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program . . .**
 - (5) **A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section);**

NuStar's Liquid Integrity Management Program and Procedures Manual (IMP), Version 8.1 (dated July 2020), did not incorporate by reference the Crack Integrity Management Program Manual (CIMP). Based on NuStar's operating experience, the CIMP is used in certain circumstances to evaluate pipeline integrity. Therefore, by not including the CIMP in its IMP program, NuStar has not continually changed the IMP program to reflect operating experience in accordance with §195.452(f)(5). On November 16, 2021, NuStar submitted amendments to the IMP that satisfactorily address this inadequacy. No further action is necessary.

3. § 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 failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program . . .

(5) A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section);

The Facility Integrity Management Program (FIMP) did not incorporate lessons learned from operating experience, such as failures, root cause analyses, and/or trending facility leak history. Specifically, the FIMP did not require appropriate corrections or modifications be made to the FIMP based on lessons learned. In addition, the FIMP did not require review of abnormal operations, lessons learned, and near-misses to ensure appropriate actions be taken at facilities for the identified threats. Further, the FIMP did not clarify the periodic evaluation intervals based on facility risk factors. For example, evaluation intervals may depend on the facility type (e.g. pump stations, breakout tanks, metering and delivery stations, etc.) or types of risk, etc. Therefore, NuStar's FIMP was not in accordance with §195.452(f)(5). On November 16, 2021, NuStar submitted amendments to the FIMP that satisfactorily address the above issues. No further action is necessary.

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 failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program . . .

(6) Identification of preventive and mitigative measures to protect the high consequence area (see paragraph (i) of this section);

NuStar's Facility Integrity Management Program, Version A, 2020 (FIMP) failed to identify preventative and mitigative measures to protect the high consequence area. Specifically, the FIMP did not describe the documentation and records that are to be maintained for the facility P&M process. Therefore, the FIMP was inadequate and not in accordance with §195.452(f)(6). On November 16, 2021, NuStar submitted amendments to the FIMP that satisfactorily address the above issue. No further action is required.

5. § 195.452 Pipeline integrity management in high consequence areas.

(a) . . .

(k) ***What methods to measure program effectiveness must be used? An operator's program must include methods to measure whether the program is effective in assessing and evaluating the integrity of each pipeline segment and in protecting the high consequence areas. See Appendix C of this part for guidance on methods that can be used to evaluate a program's effectiveness.***

NuStar's Liquid Pipeline Integrity Management Program (IMP), Section 8.1, and Procedure 801 (Annual IMP Review) outline that the IMP annual review include measures, performance metrics, and data from external sources, such as PHMSA data. However, it was not clear how NuStar documents any feedback from this review that results in procedural changes. Specifically, procedure change logs have been documented in the IMP, but whether the changes came from the IMP program effectiveness review was not evident. Therefore, NuStar's IMP and Procedure 801 were not in accordance with §195.452(k). On December 16, 2021, NuStar submitted amendments to the IMP and Procedure 801 that satisfactorily address the above issue. No further action 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 Enforcement 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). Since all the inadequacies identified herein have been addressed in your amended procedures, this enforcement will be closed in 30 days unless you respond contesting any items.

It is requested (not mandated) that NuStar Logistics, L.P., 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, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2022-007-NOA** 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: Gary Koegeboehn
Vice President of Pipeline Operations
NuStar Pipeline Operating Partnership, L.P.
19003 IH-10 West
San Antonio, Texas 78257

gary.koegeboehm@nustarenergy.com