

SENT VIA ELECTRONIC MAIL TO: Gregory.Ochs@dot.gov

July 7, 2022

Mr. Gregory A. Ochs
Director, Central Region
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 462
Kansas City, MO 64106

**Re: Notice of Amendment CPF No. 3-2022-051-NOA
Flint Hills Resources, LLC**

Dear Mr. Ochs:

On June 8, 2022, Flint Hills Resources, LLC (“FHR” or the “Company”) received a Notice of Amendment (NOA) from PHMSA following its 2021 inspection of FHR’s Minnesota Pipeline (MPL) system and the Woodriver Pipelines (WRPL) system in Minnesota, Iowa, Missouri, and Illinois. PHMSA CPF No. 3-2022-051-NOA alleges eight inadequacies with FHR’s plans or procedures.

Please see FHR’s response to each Notice of Amendment below.

1. PHMSA Notice of Amendment:

§ 195.402 Procedural manual for operations, maintenance, and emergencies

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made a necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

FHR’s Operations and Maintenance Liquids Manual M1410.100, Version 58.0, (O&M) Section 2.2 does not adequately identify which department or what position(s) is responsible for filing reportable accident reports to PHMSA, the National Response Center (NRC), and other regulatory agencies pursuant to § 195.50 and is, therefore, inadequate to comply with § 195.402(a).

FHR must amend its written procedures to comply with the requirements of § 195.50.

FHR Response to NOA #1:

FHR will provide its amended procedures to the Regional Director within the required 90-day timeframe

2. PHMSA Notice of Amendment:

§ 195.402 Procedural manual for operations, maintenance, and emergencies

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made a necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

FHR's O&M does not provide adequate guidance for determining the appropriate remedial actions that are required following the initial inspection of extreme weather events and natural disasters pursuant to § 195.414(d), and is therefore inadequate to comply with § 195.402(a). Specifically, although FHR's O&M, Section 4.16.1, states that the inspection and consequent remedial action, if any, shall be documented within the appropriate Work Management System, the procedure does not adequately outline appropriate remedial action requirements to ensure the safe operation of the pipeline. In addition, the O&M does not identify what documentation is required, when the remedial actions or monitoring should be performed, or what position(s) or which department is responsible for ensuring that the remedial actions are completed.

FHR must amend its written procedures to comply with the requirements of § 195.414(d).

FHR Response to NOA #2:

FHR will provide its amended procedures to the Regional Director within the required 90-day timeframe

3. PHMSA Notice of Amendment:

§ 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.

FHR's O&M does not provide sufficient detail with respect to proper valve maintenance, and is therefore inadequate to comply with § 195.402(c)(3). Specifically, FHR's O&M, Section 3.2.14, identifies maintenance intervals and that valves necessary for the safe operation of the pipeline system shall be in good working order at all times. However, the procedure does not define a timetable to correct deficiencies identified during operation or during valve inspections with remedial actions documented. In addition, the procedure does not specify what proper valve maintenance entails and does not identify which department or what position(s) is responsible for carrying out the valve maintenance program.

FHR must amend its written procedures to comply with the requirements of § 195.402(c)(3).

FHR Response to NOA #3:

FHR will provide its amended procedures to the Regional Director within the required 90-day timeframe

4. PHMSA Notice of Amendment:

§ 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.

FHR's O&M does not provide sufficient detail regarding the testing and inspection of overpressure safety and overfill systems pursuant to § 195.428(a), and is therefore inadequate to comply with § 195.402(c)(3). Specifically, FHR's O&M Section 3.2.9 does not include references to FHR's PRC 1302.044 (Overpressure Safety Device (OPSD) Relief Check Valve, Online), PRC 1302.045 (Overpressure Safety Device (OPSD) Relief Check Valve, Offline), or other FHR valve inspection procedures that provide the following guidance:

- Require inspection of discharge pressure control valves to ensure proper set point, span, and zero of the control device;
- Require testing of all transmitters/transducers that send pressure signals to logic controllers that maintain pipeline pressure at or below MOP;
- Employs manufacturer data to derive factors affecting the calculation of capacity and/or direct measurement during full flow conditions;
- Verifies that the calculated capacities include the effect of piping size and length associated with the relief device.

FHR must amend its written procedures to comply with the requirements of § 195.428(a).

FHR Response to NOA #4:

FHR will provide its amended procedures to the Regional Director within the required 90-day timeframe

5. PHMSA Notice of Amendment:

§ 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.

FHR's O&M does provide adequate detail as to how periodic overfill protection device inspections are to be carried out pursuant to § 195.428(c), and is therefore inadequate to comply with § 195.402(c)(3). Specifically, FHR's O&M, Section 3.2.9, does not specify which department, or what position(s), is responsible for carrying out overfill protection inspections. In addition, the procedure does not specify that overfill protection device inspections be completed in accordance to API RP 2350, Section 4.8, or other FHR technical guidelines or procedures that give additional detail as to how the inspections are to be performed.

FHR must amend its written procedures to comply with the requirements of § 195.428(c).

FHR Response to NOA 5:

FHR will provide its amended procedures to the Regional Director within the required 90-day timeframe

6. PHMSA Notice of Amendment:

§ 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.

FHR's O&M fails to provide adequate detail as to what should be inspected during routine in-service breakout tank inspections pursuant to § 195.432(b), and is therefore inadequate to comply with § 195.402(c)(3). Specifically, although Section 3.2.19.1 of the O&M requires breakout tank visual inspections at least once per month, the procedures do not provide

adequate detail as to what should be inspected, incorporate FHR's AST Inspection Guidelines associated with routine in-service breakout tank inspections, or specifically identify routine in-service inspection information required by API 653, Section 6.3.1.3 (incorporated by reference in 49 CFR Part 195).

FHR must amend its written procedures to comply with the requirements of § 195.432(b).

FHR Response to NOA #6:

FHR will provide its amended procedures to the Regional Director within the required 90-day timeframe

7. PHMSA Notice of Amendment:

§ 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, PHMSA determined that High-Voltage Direct-Current (HVDC) power lines were installed that cross FHR's Minnesota Pipeline system. In addition, there are potential HVDC projects underway which would cross the Woodriver Pipeline in the future. FHR's technical guideline procedure, TG1603.206 (Version 18.1), titled, "Cathodic Protection Criteria and Requirements for Survey and Remedial Action," does not incorporate HVDC power line monitoring or guidance in the event that HVDC power lines influence FHR's pipeline systems pursuant to § 195.577(a). Therefore, the procedure is inadequate to comply with §195.402(c)(3). Specifically, FHR's procedure does not include information as to what needs to be monitored, frequency of monitoring, or what devices need to be maintained when HVDC power lines have potential to influence FHR's pipeline systems.

FHR must amend its written procedures to comply with the requirements of § 195.577(a).

FHR Response to NOA #7:

FHR will provide its amended procedures to the Regional Director within the required 90-day timeframe

8. PHMSA Notice of Amendment:

§ 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.

[1] FHR's O&M and Technical Guideline TG1601.191 fails to adequately incorporate atmospheric and soil-to-air deficiency remediation guidelines pursuant to § 195.581(c), and is therefore inadequate to comply with § 195.402(c)(3). Specifically, although FHR's O&M, Section 3.3.15, refers to FHR's Technical Guideline TG1601.191, the O&M does not directly incorporate by reference FHR's procedure PRC1606.205, which is FHR's Atmospheric Corrosion Evaluation Procedure. [2] In addition, although PRC1606.205, Section 10.1, Step 8, specifies that atmospheric corrosion be remedied within 36 months from the inspection date, Soil-to-air interfaces must be cleaned and coated to protect against atmospheric corrosion because those locations do not fall into the exceptions listed under § 195.581(c), which allows the pipeline to not be protected against atmospheric corrosion if the corrosion will not affect the safe operation of the pipeline before the next inspection cycle.

FHR must amend its written procedures to comply with the requirements of § 195.581(c).


FHR Response to NOA #8:

[1] FHR will provide its amended procedures to the Regional Director within the required 90-day timeframe

[2] *FHR M1410.100 O&M Liquids Manual (previously provided)* section 3.3.15 Atmospheric Corrosion refers to *FHR PRC1603.420 Protective Coating - Soil-to-Air and Underground Transitions Application* which establishes the requirements for surface preparation and the application of protective coatings at soil-to-air interfaces and underground coating transitions. Please reference Section 10.2, Surface Preparation, and Section 10.3, Coating Application, on the attached document.

Please let me know if you have any questions or would like to discuss this matter further.

Sincerely,



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