



**Sunoco Logistics Partners L.P.**  
1818 Market Street  
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Philadelphia, PA 19103-3615

Via Facsimile, Electronic Mail and Certified Mail

April 11, 2010

Mr. R. M. Seeley  
Director, Southwest Region  
U.S. Department of Transportation  
Pipeline and Hazardous Materials Safety Administration  
8701 S. Gessner, Suite 1110  
Houston, TX 77074

**Re: NOPV-PCP-PCO / CPF No. 4-2010-5010 / Incident Investigation  
West Texas Gulf Pipe Line Company  
Colorado City Station**

Dear Mr. Seeley:

This will serve as Sunoco Pipeline L.P.'s response to the above referenced enforcement case, and a request for hearing in this matter.

**1. §195.52 Telephonic notice of certain accidents**

**(a) At the earliest practicable moment following discovery of a release of the hazardous liquid or carbon dioxide transported resulting in an event described in §195.50, the operator of the system shall give notice, in accordance with paragraph (b) of this section, of any failure that:**

**(2) Resulted in either a fire or explosion not intentionally set by the operator;**

Note: Sunoco failed to provide telephonic notice to the National Response Center (NRC) of a fire that occurred at Colorado City Station during the preparation for welding a new piece of pipe into a 24-inch pipeline from which a 5-foot section of this pipeline has been removed. The fire occurred between 1:00 pm and 1:30 pm on June 17, 2009. Mud plugs on both sides of the 24-inch pipeline failed allowing hydrocarbon vapor to escape from the pipe.

The project manager notified the West Texas district manager in Abilene, TX, shortly after the fire accident. The Safety and Health Specialist was assigned to go to Colorado City station to investigate the fire accident. While en route to the fire accident site, he was notified that 3416 bbls. of crude oil spill occurred at the same location where a fire occurred. Sunoco reported the crude oil spill accident to the NRC (NRC # 908908); however, there was no telephonic report for the fire that occurred approximately three (3) hours before the crude oil spill on June 17,2009.

**Proposed Civil Penalty \$10,000.00**

**Response:**

**Sunoco does not agree with this notice of probable violation since the referenced event was not prefaced by a release of hazardous liquid as required by the quoted regulation. It was a flash ignition of residual vapors after all hazardous liquid had been drained from the pipeline segment. As noted in your note above Sunoco did make the appropriate notification when conditions in the referenced regulation were met for a telephonic notification. Sunoco requests that this NOPV and PCP be rescinded.**

**2. §195.50 Reporting accidents.**

**An accident report is required for each failure in a pipeline system subject to this part in which there is a release of the hazardous liquid or carbon dioxide transported resulting in any of the following:**

**(a) Explosion or fire not intentionally set by the operator.**

**§195.54 Accident reports.**

**(a) Each operator that experiences an accident that is required to be reported under §195.50 shall as soon as practicable, but not later than 30 days after discovery of the accident, prepare and file an accident report on DOT Form 7000-1, or a facsimile.**

Note: Sunoco failed to submit an accident report on DOT Form 7000-1, or a facsimile to PHMSA within 30 days for a fire that occurred at Colorado City Station during the preparation for welding a new piece of pipe into a 24-inch pipeline from which a 5-foot section of this pipeline has been removed. The fire occurred between 1:00 pm and 1:30 pm on June 17,2009.

**Proposed Civil Penalty \$10,000.00**

**Proposed Compliance Order**

In regard to Item Number 2 of the Notice pertaining to Sunoco's failure to submit an accident report on DOT Form 7000-1, or a facsimile to PHMSA within 30 days for a fire that occurred at Colorado City Station between 1:00 pm and 1:30 pm on June 17,2009, Sunoco must submit this report within 90 days following receipt of the Final order.

**Response:**

**Sunoco does not agree with this notice of probable violation since the referenced event was not prefaced by a release of hazardous liquid as required by the regulation. It was a flash ignition of residual vapors after all hazardous liquid had been drained from the pipeline segment. As noted in your note in Item #1 Sunoco did make the appropriate notification when conditions in the referenced regulation were met for telephonic as well as written notification and reporting. Sunoco requests that the NOPV, PCP and PCO are rescinded.**

**3. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(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.**

Note: Sunoco has written procedures for conducting work in a facility. During the Line 10 Project at the Colorado City Station, Sunoco employees and contractors did not follow certain procedures as described below. Based on the investigation conducted by PHMSA, it appears that if Sunoco employees and contractors had followed these procedures during the Line 10 Project at the Colorado City Station, the accident on June 17, 2009, that resulted in the release of 3416 bbls. of crude oil could have been prevented.

I. Sunoco did not follow Line Time Request/Work Plan procedure for scheduling maintenance work which requires down time. Below is a listing of deficiencies identified during the accident investigation regarding the Line 10 project.

- List of Equipment/Valves/Energy Sourced to be Locked Out was not filled out
- No notification of the job status was provided to the appropriate personnel
- No detailed work plan for the Line 10 project was generated
- Two projects were combined into one (1) Line Time Request/Work Plan-there must be two (2) separate work plans generated (one for Snyder project - manifold modification, and one for the replacement of a corroded pipe associated with tank 10).
- Clear communication between controller at Sugarland and Colorado City Station was not established. The controller in Sugarland didn't know the Line 10 project was extended beyond June 16, 2009 as stated on the original Timeline Request.
- No fire watchers were assigned
- No pre-job safety meeting was conducted

II. Sunoco did not follow the Overview of Work Permits procedure, HS-G-012. The work permit # 253852 for the Line 10 project was issued by the on-site project leader. Below is a listing of requirements that Sunoco did not follow.

- There was not a hot work permit checklist or energy control procedure (lock-out/tag-out) attached to the hot permit
- The on-site project leader did not conduct a hazard assessment prior to starting the project

III. Sunoco also did not follow the Lockout/Tag out Program, HS-P-005, Appendix HS-P006-1 "General LOTO Checklist" and HS-P-006-2 "General LOTO Procedures" for the Line 10 project which involved the removal of a five-foot segment of the 24-inch line on June 17, 2009, at Colorado City Station, TX. The investigation evidence showed that the maintenance crew cut an in-service line.

### **Proposed Civil Penalty \$200,000.00**

#### **Proposed Compliance Order**

In regards to Item 3, Sunoco must incorporate the lessons learned from its June 17, 2009 accident investigation into its training program and provide this training to its employees within 90 days following receipt of the Final Order.

#### **Response:**

**With regard to statements in the Note:**

**Section I bullet 1: Sunoco does not disagree with the statement that LOTO was not conducted in accordance with our procedures.**

**Section I bullet 2: Sunoco disagrees with the statement that "No" notification was given to the appropriate personnel.**

**Communication between the field and control center did occur appropriately for the first two days of the project but communication conducted on day three of the project when the release occurred was not effective.**

**Section I bullet 3: Sunoco disagrees with the statement that "No detailed work plan for the Line 10 project was generated". The LTR/WP written covered both the Snyder manifold work as well as the WTG manifold work for the Tank 10 line. Both were conducted in the manifold area of Colorado City Station. Sunoco recognizes that a "Detailed Work Plan" sheet within the LTR/WP was filled out for the Snyder manifold work but was not filled out for the WTG manifold work for the Tank 10 line. The required information for the "Detailed Work Plan" was included on page 1 of the LTR/WP though.**

**Section I bullet 4: Sunoco disagrees with PHMSA's statement that "there must be two (2) separate work plans generated (one for Snyder project-manifold modification, and one for the replacement of a corroded pipe associated with tank 10)". All work described occurred in the manifold area of Colorado City station. There is no requirement in our procedures that would require two work plans for the described work.**

**Section I bullet 5: Sunoco does not disagree with the statement that there was not clear communication between Colorado City and the Control Center on June 17, 2009.**

**Section I bullet 6: Sunoco disagrees with the statement that “No fire watchers were assigned”. Interviews conducted after the incident indicates that Felix Ramos stated that he was designated as fire watch. George Davila also stated he was designated as fire watch.**

**Section I bullet 7: Sunoco disagrees with the statement that “No pre-job safety meeting was conducted”. Interviews conducted following the incident, including Craig Rutland’s interview notes, indicate that Neal Flores conducted tailgate safety meetings on Monday June 15<sup>th</sup>, Tuesday June 16<sup>th</sup> and Wednesday June 17<sup>th</sup>. This was noted in comments by George Davila and Keith Hicks.**

**Section II bullet 1: Sunoco disagrees with the statement “There was not a hot work permit checklist or energy control procedure (lock-out/tag-out) attached to the hot permit”. Sunoco does not have a separate hot work permit, but has a hot work section with the work permit form. The SPLP work permit #253851 has the section for hot work checked for the Tuesday work. They were not marked on the Wednesday work permit # 253851.**

**Section II bullet 2: Sunoco disagrees with the statement “The on-site project leader did not conduct a hazard assessment prior to starting the project”. Since the activity conducted around the Snyder manifold and the WTG manifold was viewed as one project, the hazard assessment conducted 6-16-09, would have met this requirement for both jobs as indicated on the LTR/WP.**

**Section III: Sunoco does not disagree with the statement regarding the Lock-out/tag-out procedures.**

**In consideration of these responses, Sunoco asks that Item 3 of the NOPV be reduced to Section I bullet 1, Section I bullet-5 and Section III issues. We ask that the proposed fine be reduced or eliminated accordingly.**

**With regard to the proposed compliance order, Sunoco has already taken steps following an extensive investigation into the incident (the report of which was provided to PHMSA). These steps include a revision to the LTR form and procedures which are now known as the Down Time Request (DTR)-Work Plan Procedures. These procedures were implemented throughout the company after appropriate instruction on their use was completed in November 2009. These procedures are available for your review in our Sugar Land office.**

**4. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(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:**

**(13) Periodically reviewing the work done by operator to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.**

Note: Sunoco did not conduct annual field audits of Lock-out/Tag-out (LOTO) for 2008 and 2009 as required in LOTO procedure (HS-P-005). The last annual audit was conducted on 10/03/2007.

**Proposed Civil Penalty \$22,500.00**

**Proposed Compliance Order**

In regards to Item 4, Sunoco must incorporate deficiencies during the review of personnel performance in response to this accident into its' emergency response training program and provide this training to its employees within 90 days following receipt of the Final Order.

**Response:**

**Sunoco does not agree with the characterization in the note that “Sunoco did not conduct annual field audits of the Lock-Out/Tag-Out (LOTO) for 2008 and 2009 as required in LOTO procedures (HS-P-005)”. LOTO reviews are conducted annually on a District by District basis. This process does not require every station to be included each year in the review. In 2008, reviews were conducted in the West Texas District, but did not include Colorado City Station. 2009 reviews, including Colorado City Station were conducted as scheduled. These reviews occurred after the PHMSA incident investigation was completed and were apparently not considered by PHMSA. As was noted above Sunoco conducted an extensive internal incident investigation following the Colorado City release. Part of the action plan following the investigation included training on the LOTO procedures. Based on the above response Sunoco requests that this NOPV and Proposed Civil Penalty be rescinded.**

**With regard to the Proposed Compliance Order for this item, we request clarification, as the reference to emergency response training does not seem to match with NOPV No. 4's LOTO subject.**

**5. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(e) Emergencies The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;**

**(2) Prompt and effective response to a notice of each type emergency, including fire or explosion occurring near or directly involving a pipeline facility, accidental release of hazardous liquid or carbon dioxide from a pipeline facility, operational failure causing a hazardous condition, and natural disaster affecting pipeline facilities.**

**(3) Having personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency.**

Note: Sunoco did not have personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency. Sunoco and contractor employees who were involved in the Line 10 project were sent to the spill area without proper personal protective equipment (PPE) in response to the release of 3416 bbls of sour crude oil. Figure 2.10-2, "Hydrogen Sulfide initial response action checklist" of the Sunoco West Texas Response Zone Oil Spill Response Plan calls for response personnel to "wear a full faced self-contained breathing apparatus (SCBA) or goggles and a half faced SCBA." None of the individuals sent to the spill area for emergency response to this sour crude oil spill were provided with the required respirators even though the presence of hydrogen sulfide gas was detected by respondent's smell and hazardous gas monitoring equipment.

**Proposed Civil Penalty: \$37,500.00**

**Response: Sunoco does not agree with PHMSA's statement that "Sunoco did not have personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency". During the release of crude oil, all personnel in the immediate area evacuated and proceeded upwind. Several 3 way and personal monitors were used during the repair as well the emergency response. Personnel stayed upwind during the release and were not exposed to flammable gases or Hydrogen sulfide. The wind was blowing out of the south at 15/20 miles per hour. All vapors were being blown away from personnel in the area of release. There are 4 SCBA's in Colorado City station. The company stance was to use the administrative approach of using the prevailing winds instead of going to the SCBA's. PPE is the last defense. It was determined since the monitors were not going off from the south side there was no reason for the use of SCBA's. No personnel were allowed to work on the north side until all vapors were eliminated. A company employee was assigned the task of monitoring the wind during the entire time of emergency response. This employee was positioned where they were able to see the entire release area. After the employees evacuated the manifold area no employees were exposed to levels requiring respiratory equipment. The highest reading during the air monitoring was 20 PPM of H2S which was on the north side.**

**Sunoco's West Texas Response Zone Oil Spill Response Plan also states below Figure 1-2 that "The information contained in this Plan is intended to be used as guidelines for the spill responder. Actual circumstances will vary and will dictate the procedures to be followed, some of which may not be included in this manual". Removing personnel from the hazard (up wind from the spill) was preferable.**

**Based on the above response Sunoco requests that this NOPV and Proposed Civil Penalty be rescinded.**

6. **§195.402 Procedural manual for operations, maintenance, and emergencies.**

(e) **Emergencies (see above)**

**(9) Providing for a post accident review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found.**

Note: Sunoco did not conduct a post-accident review of emergency response activities to determine if the emergency response procedure was effective and was implemented properly. Sunoco did not follow the procedural requirements of Section 8.3 of the West Texas Response Zone/Oil Spill Response Plan Section 8 that requires that the operator debrief employees within two weeks of the termination of response operations on the findings of the post accident review, and the required "Standard Incident Debriefing Form" in Figure 8.3.1 was not completed as part of the review. PHMSA requested documentation of the required post accident review, and no documentation was provided. A Sunoco Compliance Specialist stated that Sunoco investigated the cause of the incident and made the decision terminating three employees who were found to have violated Sunoco's safety procedures, and no further review of employee activities regarding emergency response was conducted.

**Proposed Civil Penalty: \$35,000.00**

**Proposed Compliance Order:**

In regard to Item Number 6 of the Notice pertaining to Sunoco's failure to conduct a post-accident review of emergency response activities that occurred in response to the accident that occurred around 4:00 pm on June 17, 2009 and resulted in the release of 3416 bbls. of sour crude oil, Sunoco must submit this report within 90 days following receipt of the Final Order.

**Response: Sunoco conducted a Serious Incident Investigation following the June 17, 2009, incident. This report was forwarded to PHMSA's Southwest Region. This review included a review of applicable procedures and resulted in revision to procedures such as Sunoco's Down Time Request procedures. While the referenced form was not completed the review included emergency response procedures which were deemed adequate.**

**As a result, Sunoco requests that the NOPV, PCP and PCO be rescinded.**

7. **§195.505 Qualification program. Each operator shall have and follow a written qualification program. The program shall include provisions to:**

**(c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;**

Note: Sunoco failed to ensure that non-qualified employees performing a covered task (# 402 remove/replace pipe component -welded or mechanical) were under the direct observation and direction of a qualified individual. Sunoco did not follow the procedural requirements of Section 8 (Non-Qualified Individuals) of their OQ Plan because the qualified individual was not directing and observing the covered task being performed in the manifold pit where the accident occurred (cutting out and replacing 5-foot segment), and he was directing and observing multiple covered tasks at the same time. The Sunoco Senior Pipeliner (Line 10 on-site project leader), was responsible for overseeing the Line 10 work done by non-qualified personnel in the manifold pit area, and he was required to be at the job site for direct observation and direction of non-qualified personnel performing the covered task. However, the Sunoco Senior Pipeliner was not always present at the manifold pit work area, and he was at different places during the performance of the work where direct observation and direction of the non-qualified individuals was not possible. During performance of the manifold pit work, he was checking on work being performed by BIB contractor by the maintenance shop, checking on drain valve work associated with breakout tank #10, and checking on vacuum truck removing crude oil. While he was at these other places, he lost visual contact with the manifold pit area work, and he was not able to direct and observe the covered task being performed by non-qualified individuals.

**Proposed Civil Penalty: \$100,000.00**

**Response: Per our internal investigation and in reviewing witness statements, there were 4 qualified employees performing the function of direct and observe of the 4 unqualified employees. This complies with the span of control for this task. These qualified employees were present at the site within close physical proximity, directing and observing the work and could intervene should an abnormal operating condition occur. We believe these qualified employees never lost visual contact with the unqualified employees.**

**Based on these facts Sunoco requests that the NOPV and PCP be rescinded.**

**Request for In-Person Hearing**

Sunoco Pipeline hereby requests an oral hearing on the Notice of Probable Violation and Proposed Compliance Order in this matter.

Sunoco Pipeline L.P. intends to raise any and all of the foregoing issues that have not been resolved or rescinded, as requested herein, prior to the hearing, together with any other issues which may arise during the course of the hearing and does not waive any issues not specified herein.

Sunoco Pipeline L.P. will be represented by counsel at the hearing. Sunoco Pipeline requests an in-person hearing. Sunoco Pipeline is also prepared to discuss entry of a consent order in lieu of a hearing, as allowed by 49 CFR Part § 190.209 and §190.219. Such a process would save both parties the time and expense of a hearing.

Should you have any questions or require further information please contact K. David  
Born of our Houston office at 281-637-6497.

Sincerely,

A handwritten signature in blue ink, appearing to read 'David A. Justin', with a stylized flourish at the end.

David A. Justin  
Vice President, Operations  
Sunoco Pipeline L.P.