

**September 4, 2015**

Mr. Michael J. Hennigan  
President and Chief Executive Officer  
Sunoco Logistics Partners L.P.  
c/o Mr. David Chalson  
4041 Market Street  
Aston, PA 19014

**Re: CPF No. 4-2015-5005H**

Dear Mr. Hennigan:

Enclosed is an Amendment to the Corrective Action Order issued in the above-referenced case on March 12, 2015. Service by electronic transmission is deemed complete upon transmission and acknowledgement of receipt, or as otherwise provided under 49 C.F.R. § 190.5. The terms and conditions of this Order are effective upon completion of service.

Please direct any questions on this matter to Rod Seeley, Director, Southwest Region, Office of Pipeline Safety, PHMSA at (713) 272-2852.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Ms. Linda Daugherty, Deputy Associate Administrator for Field Operations, OPS  
Mr. R. M. Seeley, Director, Southwest Region, OPS  
Mr. David Chalson, Vice President, Operations, Sunoco Logistics Partners, L. P., 4041  
Market Street, Aston, PA 19014  
Mr. Todd Nardozzi, Compliance Manager, Sunoco Logistics Partners, L. P., Sugar Land,  
TX

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

	)	
<b>In the Matter of</b>	)	
	)	
<b>West Texas Gulf Pipe Line Company,</b>	)	<b>CPF No. 4-2015-5005H</b>
<b>  a subsidiary of Sunoco Logistics</b>	)	
<b>  Partners L.P.,</b>	)	
	)	
<b>Respondent.</b>	)	
	)	

**AMENDMENT**  
**TO THE CORRECTIVE ACTION ORDER**

**Background and Purpose:**

On March 12, 2015, under the authority of 49 U.S.C. § 60112, the Associate Administrator for Pipeline Safety, Pipeline and Hazardous Materials Safety Administration (PHMSA), issued a Corrective Action Order (Original CAO) to West Texas Gulf Pipe Line Company (West Texas Gulf or Respondent), a subsidiary of Sunoco Logistics Partners L.P., to take the necessary corrective actions to protect the public, property, and the environment from potential hazards associated with Respondent’s West Texas Gulf Pipeline.<sup>1</sup> PHMSA issued the Original CAO in response to a failure that occurred on February 25, 2015, on the West Texas Gulf Pipeline System #1, Unit 8514, at mile post (MP) 257 on the Blum to Wortham Segment, resulting in the release of approximately 50 barrels of crude oil (Failure).

The West Texas Gulf Pipeline is approximately 580 miles in length and transports crude oil from Colorado City, Texas, to terminals in Longview and Nederland, Texas.

**Additional Preliminary Findings:**

The preliminary findings in the Original CAO noted the failure and related information on Respondent’s West Texas Gulf Pipe Line and details about the defect discovered as a result of the February 25, 2015 failure. Since that time, the following events have occurred:

---

<sup>1</sup> *In the Matter of West Texas Gulf Pipe Line Company*, Corrective Action Order (CPF No. 4-2015-5005H) dated March 12, 2015.

- On April 8, 2015, PHMSA issued a Notice of Probable Violation and Proposed Civil Penalty and Compliance Order (NOPV1) to West Texas Gulf Pipe Line for failure to report a serious accident that was alleged to have occurred on February 19, 2013.<sup>2</sup>
- On April 27, 2015, PHMSA issued a Notice of Probable Violation and Proposed Civil Penalty (NOPV2)<sup>3</sup> to West Texas Gulf Pipe Line alleging improper pipeline repair methods and failing to correct a metal loss condition that was known to exist prior to its failure related to the accident for which the Original CAO was issued.
- On May 8, 2015, West Texas Gulf's operator, Sunoco Pipeline, L.P. (SPLP), responded to the NOPV, submitted an accident report for the reportable accident that occurred on February 19, 2013, submitted a copy of the internal investigation report and stated that the proposed civil penalties associated with the Probable Violations had been paid via wire transfer on May 7, 2015.
- On June 7, 2015, a second leak of the same nature as the leak of February 25, 2015 was reported to PHMSA by the Respondent at a location approximately seven (7) miles downstream from the original leak for which the Original CAO was issued.
- On June 19, 2015, a major release of crude oil occurred at the Wortham Facility where more than 3,000 barrels of crude oil leaked from a failed flanged connection on piping that was installed in 2013 and associated with the project in which the serious accident occurred.
- On May 28, 2015 and June 23, 2015, two reportable accidents<sup>4</sup> occurred at the Sunoco Pipeline, L. P. Corsicana facility as part of the Permian Express II construction project which was managed by the same construction manager, and pipeline operator responsible for projects upon which the West Texas Gulf February 19, 2013 accident and the June 19, 2015 accidents occurred.

The preliminary findings, additional failures and subsequent investigation into the events on the West Texas Gulf Pipe Line system indicate that potential hazards associated with the operation of this system remain. PHMSA has communicated its concerns about this pattern of failures with Respondent since an accident similar to the 2013 accident subject of NOPV1 occurred on the Respondent's system in 2009.<sup>5</sup>

---

<sup>2</sup> *In the Matter of West Texas Gulf Pipe Line Company*, Notice of Probable Violation and Proposed Civil Penalty and Compliance Order (CPF No. 4-2015-5009) dated April 8, 2015.

<sup>3</sup> *In the Matter of West Texas Gulf Pipe Line Company*, Notice of Probable Violation and Proposed Civil Penalty and Compliance Order (CPF No. 4-2015-5012) dated April 27, 2015.

<sup>4</sup> Reference OPID 19718, Sunoco Pipeline, L. P., Accident Reports filed on Form 7000-1, Report Numbers 20150230–20542, and 20150266–20613 for accidents occurring on May 28, 2015 and June 23, 2015, respectively.

<sup>5</sup> *In the Matter of West Texas Gulf Pipe Line Company*, Final Order (CPF No. 4-2010-5010) dated August 1, 2012, and Decision on Petition for Reconsideration (CPF No. 4-2010-5010) dated December 31, 2012.

### **Finding of Hazardous Condition**

Section 60112 of Title 49, United States Code, provides for the issuance of a Corrective Action Order, including amendments, after reasonable notice and the opportunity for a hearing, requiring the operator of a pipeline determined to pose a hazard to take corrective actions to protect people and the environment. These may include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The basis for making a determination that a pipeline facility is or would be hazardous, requiring corrective action, is set forth both in the above-referenced statute and 49 C.F.R. § 190.233, a copy of which is enclosed.

After evaluating all available information regarding the safety of the West Texas Gulf Pipe Line System, including the foregoing additional preliminary findings, and considering the nature, circumstances, and gravity surrounding the pattern of accidents, the hazardous nature of the product transported, the serious nature of the injury that went unreported, and the ongoing investigation to determine the root cause of the multiple failures reported on Respondent's pipeline system, I find that the continued operation of the West Texas Gulf Pipe Line without additional corrective measures would be hazardous to life, property, and the environment.

Accordingly, PHMSA hereby issues this Amendment to the CAO requiring the additional actions specified herein be taken to protect life, property, and the environment. The additional actions set forth in this Amendment to the CAO are in addition to the actions set forth in the Original CAO and do not suspend or eliminate the requirements of the Original CAO, unless otherwise specifically provided herein.

### **Amendments to Required Corrective Action**

Pursuant to 49 U.S.C. § 60112 and 49 C.F.R. § 190.233, West Texas Gulf Pipe Line, and its operator Sunoco Pipeline, L. P. are ordered to comply with this Amendment to the CAO and take the following additional corrective actions with respect to the West Texas Gulf Pipe Line. The following item is added to the Corrective Action Order:

7. Before the Director, Southwest Region, OPS, approves the return to normal operating pressure under Item 2 of the Original CAO, Respondent must complete the following:

A. Reinstate the 20% Operating Pressure Restriction ordered in the Original CAO, and maintain that pressure restriction until the actions in Item 7B of this Amended CAO have been completed.

B. For the entire West Texas Gulf Pipe Line System, its operation, and the Operating, Maintenance and Construction policies and procedures under which it operates, including all aspects for which the regulations in 49 C.F.R. § 195 apply to the pipeline system and its operator, SPLP must: (1) submit, for prior review and approval of the Director, a comprehensive written plan, including timelines for specific actions to improve the safety performance of Respondent's West Texas Gulf Pipe Line System; and (2) hire an independent third party pipeline expert in safety management systems to review and assess

the written plan, which third party expert must oversee the creation, execution and implementation of the actions identified in the plan, and must provide bi-monthly monitoring summaries to PHMSA and Respondent concurrently.

Respondent must address any deficiencies or risks identified in the third party's assessment, including completing repairs and implementing corrective actions related to safety culture and safety management processes. The plan must be sufficiently detailed with specific tasks, milestones and completion dates. At a minimum, the plan must address:

- a. Organizational issues, including creation of a Safety Management System promoting a safety culture that is equivalent to the elements considered essential in the American Petroleum Institute (API) Recommended Practice (RP) 1173 including:
  - i. Management Commitment and Leadership
  - ii. Risk Management
  - iii. Operational Controls
  - iv. Incident Investigation, Evaluation and Lessons Learned
  - v. Safety Assurance and Continuous Improvement
  - vi. Competence, Training, Qualification and Development
  - vii. Emergency Preparedness and Response
  - viii. Documentation and Record Keeping
  - ix. Stakeholder Engagement
- b. Contractor oversight and inspection of construction activities while performing construction in existing or operating facilities, whether the facilities are owned or operated by Respondent or other pipeline operators transporting hazardous materials and subject to the requirements of 49 C.F.R. §195, and the commitment to ensure adequate resources are provided to maintain safety during construction activities. Specific attention shall be given to:
  - i. Adherence to Respondent's Operations and Maintenance procedures required by 49 C.F.R. 195 Subpart F,
  - ii. Operator Qualification regulations in 49 C.F.R. § 195 Subpart G, and
  - iii. Drug and Alcohol Post Accident Testing regulations in 49 C.F.R. §199
- c. Work Plans and the requirement for preparation of and adherence to a detailed Work Plan when performing activities for which an existing Operations and Maintenance procedure does not exist.
- d. Any other risk, task, issue, or item that is necessary to promote and sustain the safety of its pipeline system.

The actions required by this Amendment to the CAO are in addition to and do not waive any requirements that apply to Respondent's pipeline system under the Original CAO, and under 49 C.F.R. Parts 190, 194, 195 and 199, as applicable, or any other Order issued to Respondent under authority of 49 U.S.C. § 60101, *et seq.*, or under any other provision of Federal or State law.

After receiving and analyzing additional data in the course of this and the subject related investigations, PHMSA may identify other corrective actions that need to be taken. In that event, Respondent will be notified of any additional measures required and further amendment of the CAO will be considered. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

The terms and conditions of this Amended Corrective Action Order are effective upon receipt.

---

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

---

Date Issued