

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 20, 2017

Mr. Robert Shain
Senior Vice President of Engineering
Frontier Energy Services, LLC
4200 E. Skelly Drive, Suite 400
Tulsa, OK 74135-3256

CPF 4-2017-5022M

Dear Mr. Shain:

On various dates in 2015 and 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected the Frontier Energy Services, LLC procedures and records for design and construction and conducted field inspections of the Alpha Crude Connector pipeline and facilities located in New Mexico and Texas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within the Frontier Energy plans or procedures, as described below:

1. §195.432 Inspection of in-service breakout tanks.

(b) Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 (except section 6.4.3, Alternative Internal Inspection Interval) (incorporated by reference, see §195.3). However, if structural conditions prevent access to the tank bottom, its integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3). The risk-based internal inspection procedures in API Std 653, section

6.4.3 cannot be used to determine the internal inspection interval.

Frontier Energy Services procedures, (Liquid Pipeline Operations, Maintenance & Emergency Manual, Section 6 Breakout Tanks, Last Revision Date: Dec. 15, 2015), do not define the methodology for performing external ultrasonic thickness inspections of steel atmospheric and low pressure breakout tanks. The procedures must define the methodology the operators use to satisfy the requirements of §195.432 and API 653.6.3.3 (IBR).

2. §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:

(7) Starting up and shutting down any part of the pipeline system in a manner designed to assure operation within the limits prescribed by §195.406, consider the hazardous liquid or carbon dioxide in transportation, variations in altitude along the pipeline, and pressure monitoring and control devices.

Frontier Energy Services failed to have adequate procedures to ensure the operator does not exceed the maximum operating pressure (MOP) while starting up and shutting down the pipeline (ACC O&M Liquid Pipeline Operations, Maintenance & Emergency Manual – Section 3.2 & 3.3 – Last Revised: December 15, 2015). Frontier Energy must amend its procedures to specify detailed procedures including verification of the function and set points for overpressure protection devices, the method(s) and frequency for monitoring pressures and flow rates and the documentation requirements (i.e. pressure records, flow rates) during startup and shut down of their pipelines.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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). 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 a Final Order.

If, after opportunity for a hearing, 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. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 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 Frontier Energy Services maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Terri J. Binns, Acting Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2017-5022M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Jon Manning
Acting Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*