



Western Refining Pipeline, LLC
19100 Ridgewood Parkway
San Antonio, TX 78259

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And Email

August 24, 2018

Ms. Mary McDaniel
Director, Southwest Region
PHMSA, Office of Pipeline Safety
8701 S. Gessner, Suite 630
Houston, TX 77074

**RE: Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order
CPF 4-2018-5014
Operator Response**

Dear Ms. McDaniel:

On July 25, 2018, Western Refining Pipeline, LLC (WRPL) received the above referenced Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (the NOPV), dated July 20, 2018, alleging probable violations of Pipeline Safety Regulations. These alleged violations are based on an inspection by the Pipeline and Hazardous Materials Safety Administration (PHMSA) Office of Pipeline Safety (OPS) of the WRPL's facilities, records and procedures that occurred between March 7, 2017 and September 28, 2017. WRPL is submitting this response timely and in accordance with 49 C.F.R. Part 190 Subpart B.

WRPL does not contest the NOPV but is providing below additional mitigating information that we request you consider in support of a request to reduce the Proposed Civil Penalty (PCP). In addition, WRPL does not contest the Proposed Compliance Order (PCO) but is proposing an extended timeline for completion of the items in the PCO. To put this response in the proper context, please be aware that WRPL and its parent company, Western Refining Logistics, LP, were acquired by Andeavor Logistics LP (referred to collectively with its subsidiaries as "ANDX") on October 30, 2017, after the completion of PHMSA's inspection of WRPL. ANDX had no prior relationship (legal or operational) with WRPL and/or Western Refining Logistics, LP, but is committed to ensuring that WRPL's facilities are operated safely and that records and procedures fully comply with all applicable law moving forward.

Request for Reduction of PCP

WRPL requests that you reduce the PCP to \$10,000 and provides the following mitigating information for your consideration. The information is consistent with the factors described in 49 CFR §190.225 (Assessment considerations) that are used to determine the amount of a civil penalty.

- WRPL attempted to comply by performing an information analysis. There is no evidence that the information it did not consider resulted in a pipeline failure or any adverse impact on the environment;

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- ANDX acquired WRPL's parent company and WRPL *after* the conclusion of the inspection that led to this NOPV. The officers, directors, and management of WRPL have significantly changed due to the acquisition by ANDX. To the extent there is any culpability, ANDX inherited it from its predecessor;
- ANDX entities do not have a significant history of prior violations. Although WRPL had a prior civil penalty, the subject of that alleged violation was not related to integrity management; and
- ANDX is making a good faith effort to achieve compliance and a higher standard of safety by integrating WRPL into its existing pipeline safety programs, including IMP.

Request for Extension of PCO

Since acquiring WRPL, ANDX has been in the process of integrating it into established ANDX systems and processes, including the Integrity Management Program (IMP). Such integrations can take considerable time and resources to properly execute through a structured integration process. The integration of WRPL into the ANDX's IMP program is currently in progress and is expected to be completed by the end of 2018. We believe that ANDX's IMP processes and documentation methods will satisfy the requirements of the PCO.

Due to the integration already in progress, WRPL is requesting that the proposed deadline for compliance with the PCO be extended to December 28, 2018.

For the reasons set forth above, WRPL respectfully requests that PHMSA reduce the PCP to \$10,000, commensurate with the mitigating factors presented, and extend the compliance date of the PCO to December 28, 2018.

ANDX and WRPL share PHMSA's desire to ensure public safety and enhance pipeline system integrity, and we are committed to working with PHMSA toward those goals. If you have any questions regarding this response or would like to discuss further, please do not hesitate to contact me at 210.626.6343 or aaron.w.martinez@andeavor.com.

Sincerely,



Aaron W. Martinez
Director, Compliance - Logistics
Andeavor

cc: Mr. Don J. Sorensen, Senior Vice President, Andeavor
Mr. Stoney Vining, Senior Counsel
Ms. Christy Whelchel, Sr. Director, Operations