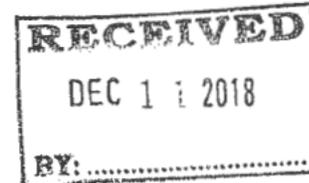




December 05 2018

Certified Mail #7014-0510-0001-2027-0769

Ms. Mary I. McDaniel, P.E.  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration  
8701 S. Gessner Street, Suite 630  
Houston, Texas 77074



Dear Ms. McDaniel,

The Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a Notice of Probable Violation, CPF 4-2018-5028 and Proposed Compliance Order to Crimson Gulf LLC (Crimson) on November 5th, for items arising from inspections conducted by PHMSA representatives on October 23-27, 2017 and February 26 - March 2, 2018, March 12-16, 2018 and May 21-25, 2018 . The NOPV alleges two violations and contains a proposed Compliance Order outlining two requested actions. No civil penalty was imposed.

Crimson appreciates the opportunity to respond to the alleged violations.

NOPV Alleged Violation Number 1

PHMSA alleges that Crimson failed to identify breakout tank (BOT) #2051 in its facilities risk analysis and analyze the consequences of failure as required by 49 CFR 195.452(f)(3) and potential impacts to high consequence areas (HCAs). PHMSA acknowledged that Crimson submitted a revision to its IMP manual on September 21, 2018, which included the BOT but alleges that Crimson does not have a process to identify preventive and mitigative measures for BOT 2051 to protect HCAs.

Crimson Response:

While the BOT was not specifically mentioned in the prior version of the IMP, Crimson did consider the potential impact as part of its Crimson Gulf pipeline system. The breakout tank (BOT) was considered in Crimson's worst-case discharge/failure analysis but was erroneously omitted from the written Integrity Management Plan (IMP). The IMP was amended and submitted to PHMSA. The specific segment of our pipeline system was included for HCA determination. Crimson identified preventive and mitigative measures to protect HCAs, which could be impacted in the event of a failure. See Attachment 1. (IMP Program, GULF IMP Summary 09-12-2018 BOT HCA Tab, HCA Analysis Map, Raceland Station Valve Chart)

NOPV Alleged Violation Number 2

PHMSA alleges that Crimson failed to inspect the cathodic protection system used to control corrosion of the bottom of the above ground BOT #2051 in accordance with API Recommended Practice (RP) 651. PHMSA acknowledged that Crimson amended its Corrosion Control Procedure prior to the date of this NOPV to include the specific BOT but failed to mention API RP 651 and referenced the incorrect NACE standard. PHMA also alleges that Crimson's process does not explain why complying with all or certain provisions of API RP 651 is not necessary to for the safety of the tank.

Crimson Response:

Crimson acknowledges shortcomings in our communication regarding the BOT corrosion control and inspection at the time of the PHMSA inspection and appreciates the opportunity to provide clarification. Although the engineering prints of the cathodic protection system for the BOT were not available in the field at the time of the inspection, the system had been inspected. Although incorrectly stated in the previous version of the procedure, Crimson did comply with API RP 651 for inspection of the BOT. Updates were made to the Corrosion Control Procedure to accurately reflect the activities that were being performed and to properly reflect the NACE standard for aboveground tanks. Attachment 2. (Write up, Annual tank inspection report, Monthly Rectifier Inspection Report, NACE #RPO169, NACE #RPO0285)

Conclusion

All items contained in the proposed Compliance Order and the referenced amendments to Crimson's procedures and IMP were completed prior to receiving this NOPV. In light of Crimson's prompt response to issues raised during the inspection as well as the clarifications and documentation provided, Crimson requests that the alleged violations either be withdrawn or the NOPV converted to a Notice of Amendment (NOA). An NOA should be sufficient to reflect the shortcomings identified during the inspection because the gaps were in the written plan and procedure rather than violations of Part 195 required activities, which were being performed.

Sincerely,



David Blakeslee  
Regulatory Compliance Manager  
Crimson Midstream LLC

Enclosures:

Attachment 1 (IMP Program, GULF IMP Summary 09-12-2018 BOT HCA Tab, HCA Analysis Map, Raceland Station Valve Chart)

Attachment 2. Write up, Annual tank inspection report, Monthly Rectifier Inspection Report, NACE #RPO169, NACE #RPO0285