

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 16, 2019

Greg McIlwain  
Permian Express Partners, LLC  
Senior Vice President Operations  
1300 Main Street  
Houston, Texas 77002

**CPF-4-2019-5002W**

Dear Mr. McIlwain:

From December 12, 2017 to December 13, 2018, 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 (U.S.C.) inspected your LOLA-Louisiana to Longview pipeline system.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

**1. §194.105 Worst case discharge.**

**(a) Each operator shall determine the worst-case discharge for each of its response zones and provide the methodology, including calculations, used to arrive at the volume.**

**(b) The worst-case discharge is the largest volume, in barrels (cubic meters), of the following:**

- (1) The pipeline's maximum release time in hours, plus the maximum shutdown response time in hours (based on historic discharge data or in the absence of such historic data, the operator's best estimate), multiplied by the maximum flow rate expressed in barrels per hour (based on the maximum daily capacity of the pipeline), plus the largest line drainage volume after shutdown of the line section(s) in the response zone expressed in barrels (cubic meters); or**
- (2) The largest foreseeable discharge for the line section(s) within a response zone, expressed in barrels (cubic meters), based on the maximum historic discharge, if one exists, adjusted for any subsequent corrective or preventive action taken; or**
- (3) If the response zone contains one or more breakout tanks, the capacity of the single largest tank or battery of tanks within a single secondary containment system, adjusted for the capacity or size of the secondary containment system, expressed in barrels (cubic meters).**

Permian Express failed to use the capacity of the single largest tank within a single secondary containment system to determine the worst-case discharge for the Longview Response Zone.

The LOLA pipeline system is covered under the SPLP (Sunoco) Longview Response Zone (#0724). Section 6. The Worst Case Discharge Summary (page 40-44) of the FRP – Longview Response Zone (#0724), shows that the worst-case discharge (WCD) for breakout tanks (BOT) is calculated based on Tank 14/15 at the Longview, Texas Facility with a recorded capacity of of 96,000 barrels (bbls).

During the field inspection and records review it was determined that Tank 311, at the Finney, Texas Facility, has a capacity 120,000 bbls which would make the WCD the 120,000 bbls rather than the 96,000 bbls of Tanks 14/15. Table 1-3; Storage Tank Data; page 8 lists the capacities of all the tanks in the Longview Response Zone.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Permian Express Partners, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2019-5002W**. 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).

Sincerely,

Mary L. McDaniel, P.E.  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration