

June 15, 2020

Via Certified Mail Return Receipt Requested

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

Re: CPF No. 4-2020-5009

Dear Ms. McDaniel,

Magellan Terminal Holdings, L.P. ("Magellan") received a Notice of Probable Violation (NOPV) and Proposed Civil Penalty, CPF 4-2020-5009, on May 13, 2020. Magellan submits the following response in accordance with *Response Options for Pipeline Operators in Enforcement Proceedings*.

The NOPV alleged that Magellan failed to construct Breakout Tank #2533, located in Cushing, Oklahoma, in accordance with its written specification for Aboveground Atmospheric Storage Tanks Rev 9. Magellan does not contest the allegation specific to the requirement for the Contractor to vacuum test 100 percent of the bottom lap welds per API 650, Section 8.6, for a duration of not less than 5 seconds to 8 to 10 lbf/in². Magellan requests revision to the Case File and Proposed Civil Penalty Worksheet prior to finalization of the Enforcement.

PHMSA provided Case File and Proposed Civil Penalty Worksheet indicate that the release volume from Breakout Tank #2533 was 1,000 barrels of crude product in which 950 barrels were recovered. As submitted on the Final 7000-1 Report, No. 20190011-32393 dated July 8, 2019, the total release volume from Breakout Tank #2533 was 1.00 barrel of crude oil in which 0.50 barrel was recovered. Thus Magellan requests that PHMSA re-evaluate the maximum penalty per violation per day. Magellan also seeks revision to the Proposed Civil Penalty Worksheet as the alleged violation occurred prior to November 27, 2018 as documented on the vacuum box testing reports in the Case File.

If you have any questions or need additional information, please contact me by phone at (918) 574-7073 or e-mail at mark.materna@magellanlp.com to discuss.

Sincerely,



Mark Materna
Director, Pipeline Integrity

Cc: Jason Smith, Vice President, Asset Integrity, Magellan