



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W Dakota Ave , Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 8, 2007

Dan Knepper
VP Energy Operations
Cenex Harvest
803 Highway 212 South
Laurel, MT 59044

SENT TO COMPLIANCE REGISTRY
Hardcopy Electronically
of Copies 1 / Date 2-9-07

CPF 5-2007-5004W

Dear Mr. Knepper:

On June 12-15, 2006 a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Front Range System in Cutbank, Montana.

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 items inspected and the probable violation is:

1. §195.404(c)(3) Maps and records

- (c) Each operator shall maintain the following records for the periods specified;**
(3) A record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.

and,

§195.402(c)(13) 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:

(13) Periodically reviewing the work done by operator to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

CHS has a procedure requiring supervisors to perform review of work done by employees to determine the effectiveness of operation and maintenance procedures. CHS supervisors contended that they had performed these reviews. CHS had no documentation of such reviews.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any 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 item identified in this letter. Be advised that failure to do so will result in CHS 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 5-2007-5004W**.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 (G. Davis, #116721)