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March 29, 2007

RECEIVED

APR 02 2007

Mr. Chris Hoidal
Director, Western Region
Office of Pipeline Safety
Research and Special Programs Administration
12300 W. Dakota Avenue, Suite 110
Lakewood, Colorado 80228

RE: CPF No. 5-2007-5007M

SENT TO COMPLIANCE REGISTRY

Hardcopy Electronically
of Copies 3 / Date 4/10/07

Dear Mr. Hoidal,

This letter is in response to the Notice of Amendment (NOA) issued by the Office of Pipeline Safety on February 8, 2007 for the above referenced case.

Item number 1 of the NOA required CHS, Inc. to develop a procedure for the periodic review of work for abnormal operations to determine the effectiveness of procedures. CHS has revised the procedure in section A of the Operations and Maintenance Manual to address this request (See Attached).

Please contact CHS if you have any questions.

Sincerely,

John Traeger
Manager, Pipelines and Terminals

Enclosures

C: Mike Stahly
Michelle L. Biere
Dan Knepper

REVIEW OF PROCEDURES

The Maintenance Supervisor, Instrumentation and Electrical Supervisor, Manager of Oil Movements, and Manager, Pipelines and Terminals shall perform an annual review of the work done on five normal operations, abnormal operations, and/or maintenance procedures to determine the applicability and use of the procedures in this manual. Deficiencies in the effectiveness of the procedures will be noted and recommendations for additions or revisions will be forwarded to the DOT Compliance Coordinator and/or Manager, Pipelines and Terminals (per 49 CFR 195.402(c)(13)). All abnormal operations will be investigated, documented and corrected in accordance with the procedures in Section L of this manual.

Advisory bulletins issued by the Pipeline and Hazardous Materials Safety Administration along with other regulatory information will be forwarded to the Manager, Pipelines and Terminals; DOT Compliance Coordinator; and the Manager, Environmental, Health and Safety for review of applicability to this manual. Any required changes will be incorporated into this manual in a timely manner.

The Manager, Pipelines and Terminals will insure that this manual is reviewed at intervals not exceeding fifteen (15) months, but at least once each calendar year (per 49 CFR 195.402(a)). Form A-1 (Appendix B) shall be used to document the annual review. Recommendations made by the Supervisors will be considered and appropriate revisions made as necessary to insure the effectiveness of the manual.

CORRECTION OF ADVERSE CONDITIONS

Whenever a condition is discovered that could adversely affect the safe operation of this pipeline system, the condition shall be corrected within a reasonable period of time. If the condition is of such a nature that it presents an immediate hazard to persons or property, the affected part of the system shall not be operated until the unsafe condition is corrected (49 CFR 195.401(b)). The Manager, Pipelines and Terminals shall be responsible to ensure that all identified adverse conditions are appropriately dealt with.

Requirements and procedures for reporting of accidents and safety related conditions are contained in Sections F and G of this manual. Procedures related to "abnormal operations" are contained in Section L of this manual.

Conditions that affect the integrity of the pipeline system will be evaluated, scheduled and repaired in accordance with the CHS Pipeline Integrity Management Program as required by 49 CFR 195.452.

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