

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 27, 2012

Suncor Energy (USA) Pipeline Company
Mr. Kelly Gleason
President
1715 Fleischli Parkway
Cheyenne, WY 82001

CPF 5-2012-5001W

Dear Mr. Gleason:

On June 14, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code was notified of a tank overfill at your Cheyenne pump station in Cheyenne, Wyoming. A PHMSA representative conducted an onsite investigation into the circumstance surrounding the event the next day.

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 violations are:

1. §195.402 Procedural manual for operations, maintenance, and emergencies.

(d) Abnormal operation. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded;

(1) Responding to, investigating, and correcting the cause of;

(iv) Operation of any safety device;

The Suncor Energy (USA) Pipeline (Suncor) employee who was controlling the flow of oil into tank #1168 on the afternoon of June 14, 2010, did not follow their company's abnormal operating procedures related to responding to a safety device. The result was the tank overflowing spilling 30 barrels into their containment area. On that day, he received a Hi- Hi alarm indicating that the fluid level in the tank was at a critically high level. Suncor's written procedures describing what to do when a Hi-Hi-Alarm on a tank is received required the controller to immediately shut off the flow of oil into the tank or otherwise divert the flow to a different tank. Instead of following these written procedures, the controller called the Cheyenne Station and requested a local Suncor employee to go out and physically check the oil level in tank #1168. Before that employee was able to get out to the tank, a different employee happened to be driving into the station and noticed that the Tank #1168 was overflowing crude oil. He immediately called the controller to report the tank had overflowed and the controller shut off the flow of oil to the tank.

During our accident investigation, at Suncor's local office in Cheyenne, Wyoming, the controller who was on duty the day of the overflow stated that he did not believe the Hi-Hi alarm and confirmed that he called the Cheyenne Station and asked a local employee to physically check the fluid level in tank #1168. PHMSA's accident investigation also revealed deficiencies with Tank 1168's gauging system and high level alarms. Regardless, if the controller had followed Suncor's written procedures, the overflow event would not have occurred.

We understand that Suncor has reinspected their other tanks for similar overflow protection problems and conducted training with all controllers on this event. Suncor reported to PHMSA that there were no additional problems with any of the other tanks in the system. PHMSA appreciates the manner in which Suncor responded to this release and the immediacy you took to check for similar conditions in your pipeline system.

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 violation 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(s) identified in this letter. Failure to do so will result in Suncor 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 5-2012-5001W**. 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,

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

cc: PHP-60 Compliance Registry
PHP-500 P. Katchmar (#130287)