

## WARNING LETTER

**VIA UPS 2<sup>ND</sup> DAY DELIVERY- 1Z WR2 578 02 9840 7727**

June 26, 2013

Mr. Robert Neufeld  
Vice President  
Environmental and Governmental Affairs  
Wyoming Pipeline Co.  
1600 Broadway, Suite 2300  
Denver, CO 80202

**CPF 5-2013-6002W**

Dear Mr. Neufeld:

On October 22-26, 2012, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your operations and maintenance (O&M) procedures, records, and performed a field evaluation of your facilities in Newcastle, Wyoming.

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

**1. §195.404 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.**

Per §195.404(c) (3), an operator shall maintain records of each inspection and test required by this subpart for at least 2 years or until the next inspection or test is performed, whichever is longer. At the time of the inspection, records of valve inspections in according to §195.420 were not maintained as required by §195.404(c) (3).

**2. §195.420 Valve maintenance.**

**(c) Each operator shall provide protection for each valve from unauthorized operation and from vandalism.**

Per §195.420(c), an operator shall provide valve protection to prevent unauthorized operation and vandalism. At the time of the inspection, several valves at the stations were not secured and/or locked from unauthorized operation and vandalism. Wyoming Pipeline Company (WPC) must provide protection for each valve to prevent unauthorized operation and vandalism of their facilities.

**3. §195.434 Signs.**

**Each operator must maintain signs visible to the public around each pumping station and breakout tank area. Each sign must contain the name of the operator and a telephone number (including area code) where the operator can be reached at all times.**

Per §195.434, an operator must maintain signs visible to the public and each sign must contain the telephone number, including area code, where the operator can be reached at all times. At the time of the inspection, WPC did not have the warning signs at several pump stations and breakout tank facilities, e.g. Mush Creek and Mush Creek Junction.

**4. §195.436 Security of facilities.**

**Each operator shall provide protection for each pumping station and breakout tank area and other exposed facility (such as scraper traps) from vandalism and unauthorized entry.**

Per §195.436, an operator must provide protection for each pump station and breakout tank area. At the time of the inspection, there was minimal or no protection (fences) at most of the facilities, e.g. Mush Creek and Mush Creek Junction.

**5. §195.438 Smoking or open flames.**

**Each operator shall prohibit smoking and open flames in each pump station area and each breakout tank area where there is a possibility of the leakage of a flammable hazardous liquid or of the presence of flammable vapors.**

Per §195.438, an operator shall prohibit smoking and open flames at each pump station and breakout tank area. At the time of the inspection, the warning signs prohibiting smoking and open flames were not visible at all applicable facilities.

**6. §195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?**

**(c) You must inspect and electrically test each electrical isolation to assure the isolation is adequate.**

Per §195.575, an operator must electrically isolate each buried or submerged pipeline from other metallic structures, and install one or more insulating devices where electrical isolation of a pipeline is necessary. Each electrical isolation must be inspected and electrically tested to assure isolation is adequate. At the time of inspection, WPC did not perform tests to ensure electrical isolation of each buried or submerged pipeline from other metallic structures, unless they electrically interconnect and cathodically protect the pipeline and the other structures as a single unit. Meanwhile, there is at least one casing at the US Highway 16 crossing near the end of the HCA segment in Newcastle in which the casing-to-soil potential reading is unknown. WPC must inspect and electrically test the US Highway 16 casing and others if they exist, to ensure the isolation is adequate.

**7. §195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?**

**(a) You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.**

Per §195.581(a), an operator shall protect against atmospheric corrosion on the aboveground facilities. At the time of the inspection, there were several locations where pipe at the air-to-soil interface was not coated. In addition, some of the breakout tanks were not painted to protect atmospheric corrosion, and an extensive surface rust and significant corrosion were visible at the chime and near the annular ring.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not

exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 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 item(s) identified in this letter. Failure to do so will result in Wyoming Pipeline Company 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 5-2013-6002W**. 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 C. Allen/D. Hubbard (#139527)