

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 9, 2014

Mr. John Roller
Vice President of Terminal Operations
Nustar Terminal Operations Partnership, L.P.
19003 IH 10 West
San Antonio, TX 78257

CPF 5-2014-6006W

Dear Mr. Roller:

On August 20 through August 21, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected the former Mobil storage tanks at the Nustar Terminal Operations Partnership, L.P. (Nustar) facility in Portland, Oregon.

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

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

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Nustar is not following its own operation and maintenance procedures (§195.402 (a)) for implementing §195.432 regarding the inspection of in-service breakout tanks. At the time of the inspection, Nustar's hydrotest records for Tanks 2021 and 2022 were not available for review. Subsequently, Nustar personnel provided the hydrotest records to our PHMSA representative within a week after our field inspection was completed. Our representative reviewed the records and it appears that the hydrotest records do not conform to the Forms from your Operations and Maintenance (O&M) Manual, Procedure 309, Section 3.12, dated July 6, 2007.

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 Nustar Terminal Operations Partnership, L.P. 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 5-2014-6006W**. 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: Mr. Rob Hill, Nustar Terminal Operations Partnership, L.P.
PHP-60 Compliance Registry
PHP-500 K. Nguyen (#146203)