

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 26, 2017

Mr. Mark Plake  
President  
Holly Energy Partners  
2828 N. Harwood, Suite 1300  
Dallas, TX 75201

**Revised CPF 5-2017-5009W**

Dear Mr. Plake:

On September 19, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Cheyenne Tanks and Pipeline System in Cheyenne, Wyoming.

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

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.**

At time of the inspection, no records available to document that inspection and testing of the overfill protection systems for tank numbers 72 and 73 had taken place as required by §195.428(a).

As of April 27, 2017, under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 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 Holly Energy Partners 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 5-2017-5009W**. 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,

Huy Nguyen  
Acting Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry  
PHP-500 J. Stahoviak (#152647)