

## **WARNING LETTER**

**VIA FED EX – TRACKING # 7784 0248 0384**

February 10, 2017

Mr. Brad Barron  
President and Chief Executive Officer  
Nustar Energy L.P.  
19003 IH-10 West  
San Antonio, TX 78257

**CPF 5-2017-6004W**

Dear Mr. Barron:

On October 26 and 27, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Wyoming Diesel Pipeline in Evanston, WY.

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, Part 194. The item inspected and the probable violation is:

**1. §194.107 General response plan requirements.**

- (c) Each response plan must include:**  
**(viii) Equipment testing,**

Nustar Energy L.P. (Nustar) contracts with Tas Environmental for conducting its spill response activities, including providing response equipment and personnel. During the inspection, Nustar was unable to provide evidence that the spill response equipment maintained by their contractor Tas Environmental was tested. Nustar failed to operate its pipeline in accordance with 194.107(b).

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$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.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2017-6004W**. 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 Ogirima (#154569)