



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 5, 2017

Mr. Wayne Leiker
VP- Montana Refining
Calumet Montana Refinery, LLC
1900 10th Street NE
Great Falls, Montana 59404

CPF 5-2017-6013M

Dear Mr. Leiker:

On October 11-13, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your crude oil pipeline in Great Falls, Montana.

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

- 1. §194.107 General Response Plan Requirements.**
 - (c) Each response plan must include:**
 - (1) A core plan consisting of...**
 - (viii) Equipment testing**

CMR had inadequate facility response plan procedures to test their emergency equipment as required by §194.107(c)(1)(viii). At the time of the inspection, it was noted that the testing of emergency equipment was not included in the Emergency Response Plan. Emergency equipment owned by or supplied to CMR needs to be tested in accordance with the plan per §194.7(b), including retaining documentation of such tests. Furthermore, the lack of adequate procedures and records is the evidence that the testing of the emergency equipment was not performed.

2. **§194.121 Response Plan Review and Update Procedures.**

(b) If a new or different operating condition or information would substantially affect the implementation of a response plan, the operator must immediately modify its response plan to address such a change and, within 30 days of making such a change, submit the change to PHMSA. Examples of changes in operating conditions that would cause a significant change to an operator's response plan are:

(8) any other information relating to circumstances that may affect full implementation of the plan.

Calumet Montana Refining, LLC (CMR) failed to submit to PHMSA a modified response plan to address operational changes as required by §194.121(b). Within 30 days of making significant changes to an emergency response plan, operators are required to submit the changes to PHMSA. At the time of the inspection, it was noted that CMR modified their system on October 10, 2015, removing Breakout Tanks 124 and 125 from the system and adding Breakout Tanks 201 and 202. There was also an adjustment to the flowrate and tank alarm settings due to the changes in operating conditions. The emergency response plan has been modified; however, CMR did not submit its facility response plan to address the changes in operating conditions within 30 days as required by §194.121(b).

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Calumet Montana Refinery, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2017-6013M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 A. Ceartin (#153734)