

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 16, 2017

Mr. James Runyan
President
Wyoming Pipeline Company
10 Stampede Street
Newcastle, WY 82701

CPF 5-2017-6015W

Dear Mr. Runyan:

During the week of December 12, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Wyoming Pipeline Company's (WPC) crude oil pipeline facilities in the Newcastle Area of Wyoming.

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.

Wyoming Pipeline Company (WPC) failed to perform testing of emergency response equipment in 2014 as required by §194.107(c)(1)(viii).

2. §195.432 Inspection of in-service breakout tanks.

(b) Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 (except section 6.4.3, Alternative Internal Inspection Interval) (incorporated by reference, see §195.3). However, if structural conditions prevent access to the tank bottom, its integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3). The risk-based internal inspection procedures in API Std 653, section 6.4.3 cannot be used to determine the internal inspection interval.

WPC failed to comply with §195.432(b) which requires compliance with API Standard 653. Records for Routine In-Service inspections (monthly) were not produced for 28 breakout tank inspections in 2015:

- In June of 2015, five (5) tank inspection records missing for HA Creek and Fiddler breakout tank facilities.
- In July of 2015, six (6) tank inspection records missing for HA Creek, Butte, and Fiddler breakout tank facilities.
- In August of 2015, all 17 tank inspection records missing across this crude system's breakout tank facilities.

Furthermore, prior to our inspection, Par Pacific Holdings, parent company to WPC, hired Pinnacle to review the breakout tank Internal and/or External inspection records. In this review, 14 of 17 breakout tanks in this crude system were found not to be in compliance with API 653 because the inspections were not performed by a certified API 653 Authorized Inspector (AI), and there were questions about valid inspection processes.

3. §195.589 What corrosion control information do I have to maintain?

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to Secs. 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

WPC failed to comply with §195.589(c) by not sufficiently documenting corrosion control activities involving inspection of internal pipe surfaces. The internal inspection of the pipe cutout performed on November 30, 2016 from the 6-inch Butte to Newcastle segment (log distance 6157.84) was not sufficiently documented. An internal surface inspection of pipe in

the vicinity of the removed pipe is required by §195.579(c) that gives sufficient information as to whether additional corrosion requiring remediation exists.

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. 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 5-2017-6015W**. 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 (# 153591)