

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 16, 2018

Mr. Michael E. Farnsworth
Vice President
Wyoming Refining Company
10 Stampede Street
Newcastle, WY 82701

CPF 5-2018-6010W

Dear Mr. Farnsworth:

On September 19, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Petroleum Product Pipeline to Mule Creek at Newcastle, Wyoming.

As a result of the inspection, it appears 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. **§195.452 Pipeline integrity management in high consequence areas.**
 - (g) **What is an information analysis? In periodically evaluating the integrity of each pipeline segment (paragraph (j) of this section), an operator must analyze all available information about the integrity of the entire pipeline and the consequences of a failure. This information includes:**
 - (2) **Data gathered through the integrity assessment required under this section.**

Wyoming Refining Company (WRC) failed to analyze all available information about the integrity of the Petroleum Product Pipeline. On September 19, 2017 during the PHMSA

inspection, it was noted that the last MFL/Caliper in-line inspection (ILI) was assessed on February 13, 2016, and the information analysis for evaluating the data gathered from the 2016 ILI result was not adequate. Information such as unity plot, calculation of safe operating pressure based on field-verified anomaly measurements, etc. were not provided in accordance with §195.452(g)(2).

2. **§195.452 Pipeline integrity management in high consequence areas.**
 - (h) **What actions must an operator take to address integrity issues?**
 - (2) **Discovery of condition. Discovery of a condition occurs when an operator has adequate information about the condition to determine that the condition presents a potential threat to the integrity of the pipeline. An operator must promptly, but no later than 180 days after an integrity assessment, obtain sufficient information about a condition to make that determination, unless the operator can demonstrate that the 180-day period is impracticable.**

Wyoming Refining Company (WRC) failed to promptly obtain sufficient information to make the determination that a condition presents a potential threat to the integrity of the pipeline within an HCA. It appears that WRC did not perform discovery of condition in accordance with 195.452(h)(2) for the Petroleum Product Pipeline within 180 days after an integrity assessment. It was noted that an integrity assessment for the Petroleum Product Pipeline was assessed on February 13, 2016 and the date of discovery of condition for the Petroleum Product Pipeline exceeded by about 270 days because there was not a timely verification of ILI accuracy of identified pipeline anomalies.

3. **§195.573 What must I do to monitor external corrosion control?**
 - (c) **Rectifiers and other devices. You must electrically check for proper performance each device in the first column at the frequency stated in the second column.**

Device	Check frequency
Rectifier	At least six times each calendar year, but with intervals not exceeding 2 ½ months
Reverse current switch	
Diode	
Interference bond whose failure would jeopardize structural protection	
Other interference bond	At least once each calendar year, but with intervals not exceeding 15 months.

WRC failed to check for proper performance each interference bond in accordance with §195.573(c). At Mule Creek Junction, WRC installed an interference bond whose failure would jeopardize structural protection (critical). It was noted that the second critical bond reading of 2017 was 2/28/17, and it was about 2 weeks late.

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. For violations occurring prior to November 2, 2015, 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. 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 Refining 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 5-2018-6010W**. 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,

Kim West
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 C. Allen (#153592)