



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

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

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 17, 2018

Mr. Rich Fairservis
Chief Executive Officer
The Granite Peak Group
1300 Venture Way, Suite 200
Casper, WY 82609

CPF 5-2018-6017W

Dear Mr. Fairservis:

On June 11 through 15, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected the plans and records for your Cheyenne Rail Hub's transmission crude oil pipeline system and conducted a field evaluation of your pipeline system including a breakout tank facility in Cheyenne, 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 (CFR). The items inspected and the probable violations are:

1. **§194.117 Training.**
 - (a) ...
 - (b) **Each operator shall maintain a training record for each individual that has been trained as required by this section. These records must be maintained in the following manner as long as the individual is assigned duties under the response plan:**

(1) Records for operator personnel must be maintained at the operator's headquarters; and ...

At the time of the inspection, Bridger Swan Ranch could not provide records for emergency response training conducted in 2017. The Operation Manager stated that no emergency response training had been provided since March 2017 when Bridger Swan Ranch started operating the pipeline system.

2. **§ 195.428 Overpressure safety devices and overfill protection systems**
(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 1/2 months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Bridger Swan Ranch did not inspect its overpressure safety device at intervals not exceeding 15 months, but at least once each calendar year. The pipeline system has one overpressure relief valve. At the time of the inspection, the Operation Manager stated that the overpressure safety device was not inspected in 2017.

3. **§ 195.428 Overpressure safety devices and overfill protection systems**
(a) ...
(d) After October 2, 2000, the requirements of paragraphs (a) and (b) of this section for inspection and testing of pressure control equipment apply to the inspection and testing of overfill protection systems.

Bridger Swan Ranch did not inspect its overfill protection device at intervals not exceeding 15 months, but at least once each calendar year. The pipeline system has one overfill protection valve on roof of the breakout tank. At the time of the inspection, the Operation Manager stated that the overfill protection device was not inspected in 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. 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 items identified in this letter. Failure to do so will result in The Granite Peak Group 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 5-2018-6017W**. 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,

A handwritten signature in black ink, appearing to read "Kim West", written in a cursive style.

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

cc: PHP-60 Compliance Registry
PHP-500 Y. Liang (#158318)
Mr. Paul Saffell, Chief Operating Officer, The Granite Peak Group