



VIA E-MAIL TO DUSTIN HUBBARD

July 19, 2021

Mr. Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave, Suite 110
Lakewood, Colorado 80228

Subject: Warning Letter CPF 5-2021-028-WL

Dear Mr. Hubbard:

This letter is in response to your *Warning Letter* to Santa Fe Pacific Pipelines (SFPP) dated June 23, 2021. The letter resulted from the November 2020 inspection of SFPP by the Arizona Corporation Commission, Office of Pipeline Safety (AZOPS). The letter states that SFPP has committed a probable violation of the Safety Regulations, Title 49, Code of Federal Regulations (CFR). The probable violation alleged is:

§195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

The letter further alleges SFPP *“failed to prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and for handling abnormal operations and emergencies. Specifically, SFPP did not follow its written procedure L-O&M 003 for periodically reviewing the work done by its personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found, pursuant to § 195.402(c)(13). At the time of inspection, there were no records or other evidence to demonstrate that the company undertook this review.”*

SFPP Response

It is SFPP's position that it is in compliance with regulation §195.402(c)(13) and followed the requirements listed in procedure L-O&M 003 *Procedure Review*. Specifically, Section 3.1.2 *Phase 2* of L-O&M 003 states:

“Is the confirmation by Supervisors/Manager/Directors that all of the L-O&M procedures used by subordinates were reviewed for appropriateness. In addition, supervisors/managers are to review the work done by their personnel within their organization to determine the procedures effectiveness; i.e., following the procedures produced the desired outcome.”

In addition, Section 5.1.2.1 of the procedure states: “Supervisors / Managers are responsible for documenting the completion of their review on Action Decision Committee (ADC) Letter for



Supervisor/Manager.” A copy of the signed ADC Letter for Supervisor/Manager for years 2018-2020 was provided to the inspector for review during the inspection. Our procedure also references the regulation. The ADC Letter for Supervisor/Manger which documents the Supervisors’ review of their subordinates and the effectiveness of the procedures was provided during the inspection and is attached for easy reference. The regulation does not specify the documentation details required by the required review, only that an Operator periodically review the work done by personnel to determine the effectiveness of its procedures.

However, in the spirit of cooperation, SFPP will review its process for documenting compliance with regulation §195.402(c)(13). SFPP has initiated this review of the documentation process to address the concerns raised, will completed the necessary Management of Change processes triggered by any revisions, and intends to implement of the revised process beginning the first quarter of 2022.

Should you have any questions or concerns regarding this response, please call Jaime Hernandez at 713-369-9443, Quintin Frazier at 770-751-4240 or me at 713-369-8832.

Sincerely,

A handwritten signature in black ink, appearing to read "Dax Sanders", with a long horizontal flourish extending to the right.

Dax Sanders
President Products Pipeline