U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 7, 2008

Mr. Steve Jackson
Vice President
Refining & Transportation
Hunt Refining Company
Hunt Crude Oil Supply Company
100 Towncenter Boulevard, Suite 300
Tuscaloosa, AL 35406

CPF 2-2008-5002W

Dear Mr. Jackson:

On May 22 - 27, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Hunt Crude Oil Supply Company facilities and reviewed records in Alabama and Mississippi.

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 violations are:

1. **§195.573 What must I do to monitor external corrosion control?**

(a) *Protected pipelines.* You must do the following to determine whether cathodic protection required by this subpart complies with §195.571:
(2) Identify before December 29, 2003 or not more than 2 years after cathodic protection is installed, whichever comes later, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE Standard RP0169-96 (incorporated by reference, see §195.3).

Hunt did not provide a record of the evaluation verifying the company has identified circumstances in which a close-interval survey or comparable technology would be practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE standard RP0169-96.

2. **§195.583 What must I do to monitor atmospheric corrosion control?**
(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:
(b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.
(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by §195.581.

Hunt did not provide a record during the inspection which verified atmospheric corrosion monitoring of its pipeline. Post inspection, Hunt performed this activity.

3. **§195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?**
(a) You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.
(b) Coating material must be suitable for the prevention of atmospheric corrosion.

Conditions found in the field showed rusting and need for cleaning and coating of some mainline valves and aboveground piping at Yellow Creek station.

4. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
(c) *Maintenance and normal operations*. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:
(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.
(d) *Abnormal operation.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:
(5) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

Hunt did not provide a record verifying periodic review of personnel work normal and abnormal operations to determine effectiveness of procedures.

5. **§195.577 What must I do to alleviate interference currents?**

(a) For pipelines exposed to stray currents, you must have a program to identify, test for, and minimize the detrimental effects of such currents.
(b) You must design and install each impressed current or galvanic anode system to minimize any adverse effects on existing adjacent metallic structures.

Hunt did not provide a record which verified testing for interference currents or analysis of non-exposure to stray currents.

6. **§195.406 Maximum operating pressure.**
(a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:
(1) The internal design pressure of the pipe determined in accordance with §195.106. However, for steel pipe in pipelines being converted under §195.5, if one or more factors of the design formula (§195.106) are unknown, one of the following pressures is to be used as design pressure:
(i) Eighty percent of the first test pressure that produces yield under section N5.0 of appendix N of ASME B31.8, reduced by the appropriate factors in §§195.106(a) and (e); or
(ii) If the pipe is 12¾ in (324 mm) or less outside diameter and is not tested to yield under this paragraph, 200 p.s.i. (1379 kPa) gage.
(2) The design pressure of any other component of the pipeline.
(3) Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under Subpart E of this part.
(4) Eighty percent of the factory test pressure or of the prototype test pressure for any individually installed component which is excepted from testing under §195.305.
(5) For pipelines under §§195.302 (b)(1) and (b)(2)(i) that have not been pressure tested under subpart E of this part, 80 percent of the test pressure or highest operating pressure to which the pipeline was subjected for 4 or more continuous hours that can be demonstrated by recording charts or logs made at the time the test or operations were conducted.
(b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

Hunt did not provide a record of MOP calculation for its pipeline.

7. **§195.214 Welding procedures.**
(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

§195.222 Welders: Qualification of welders.

(a) Each welder must be qualified in accordance with section 6 of API 1104 (incorporated by reference, see §195.3) or section IX of the ASME Boiler and Pressure Vessel Code, (incorporated by reference, see §195.3) except that a welder qualified under an earlier edition than listed in §195.3 may weld but may not re-qualify under that earlier edition.
(b) No welder may weld with a welding process unless, within the preceding 6 calendar months, the welder has—
(1) Engaged in welding with that process; and
(2) Had one welded tested and found acceptable under section 9 of API 1104 (incorporated by reference, see §195.3).

§195.228 Welds and welding inspection: Standards of acceptability.
(a) Each weld and welding must be inspected to insure compliance with the requirements of this subpart. Visual inspection must be supplemented by nondestructive testing.

§195.266 Construction records.
A complete record that shows the following must be maintained by the operator involved for the life of each pipeline facility:
(a) The total number of girth welds and the number nondestructively tested, including the number rejected and the disposition of each rejected weld.

§195.204 Inspection – general.
Inspection must be provided to ensure the installation of pipe or pipeline systems in accordance with the requirements of this subpart. No person may be used to perform inspections unless that person has been trained and is qualified in the phase of construction to be inspected.

Hunt personnel installed a booster pump station, however, the following issues were found:

- Hunt provided no record or work order to show planned welding activities or the welding procedure used. Pursuant to Hunt via verbal communication welding procedures 6010 and 7010 were used. Additionally, Hunt did not provide a record verifying qualification of welding procedure per API 1104 or ASME including destructive test results.

- Hunt provided no record verifying the number of girth weld rejected.

- Hunt's records verified that 13 girth welds were NDT tested, however, in the field there were over 20 girth welds. No record was provided for these additional girth welds.

- Records supplied by Hunt during the inspection were insufficient to determine who performed the welding and, consequently, welder qualifications could not be verified.

- Hunt personnel installed a booster pump station, however, no record was provided verifying that personnel who inspected this construction were trained and qualified in this phase of construction.

8. **§195.412 Inspection of rights-of-way and crossings under navigable waters. (a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate mean of traversing the right-of-way.**

   Vegetation over-growth along the ROW impeded the performance of adequate aerial inspections due to blockage of the ROW thus not allowing Hunt to comply with 195.412 at the following locations: Choctaw County Road 9 # 4, Choctaw County Road #20, Highway 10 and Seedtown Road.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed $100,000 for each violation for each day the violation persists up to a maximum of $1,000,000 for any 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 Hunt Crude Oil Supply 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 2-2008-5002W.** 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,

M. Shoaib

Mohammed Shoaib
Acting Director, Southern Region
Pipeline and Hazardous Materials Safety Administration