NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 19, 2016

Mr. Robert Haugen
Executive Vice President of Refining Operations
Coffeyville Resources Crude Transportation, LLC
2277 Plaza Drive
Suite 500; Building B
Sugarland, TX 77479

CPF 3-2016-5007M

Dear Mr. Haugen:

On May 9-13, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the operation and maintenance procedures for Coffeyville Resources Crude Transportation, LLC (CRCT) in Bartlesville, Oklahoma.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within CRCT's plans or procedures, as described below:

1. **§195.52 Immediate notice of certain accidents.**

   (c) Calculation. A pipeline operator must have a written procedure to calculate and provide a reasonable initial estimate of the amount of released product.

   CRCT's Operation and Maintenance manual (O&M) did not have a procedure to calculate and provide a reasonable initial estimate of product released in accordance to 195.52(c). CRCT personnel indicated that they could draft a procedure for initial volume based on the size of the spill, the soil contaminated, and the depth of the line.

2. **§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.

CRCT's procedure for reviewing the O&M and Emergency plans annually is deficient because there is no mention of the annual review of the emergency plan in Section 19. CRCT personnel indicated that they were going to use the facility response plan (FRP) for the emergency response procedures. If that is the case, the emergency response section in the O&M must reference the FRP and the FRP must be revised to reflect the requirement of Part 195 – Emergency Response.

3. **§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:

(2) Gathering of data needed for reporting accidents under Subpart B of this part in a timely and effective manner.

§195.52 Immediate notice of certain accidents.

(b) Information required. Each notice required by paragraph (a) of this Section must be made to the National Response Center either by telephone to 800-424-8802 (in Washington, DC, 202-267-2675) or electronically at http://www.nrc.uscg.mil and must include the following information:

(6) Initial estimate of amount of product released in accordance with paragraph (c) of this Section.

In Sections 19.12 and 19.13, CRCT's procedures for gathering data needed for reporting incidents did not include the gathering of the initial estimate of amount of product released.

4. **§195.402 Procedural Manual for Operations, Maintenance and Emergencies.**

   §195.402 (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:

   (3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

   §195.405 Protection against ignitions and safe access/egress involving floating roofs.

   (a) After October 2, 2000, protection provided against ignitions arising out of static electricity, lightning, and stray currents during operation and maintenance activities involving aboveground breakout tanks must be in accordance with API RP 2003 (incorporated by reference, see §195.3), unless the operator notes in the procedural manual (§195.402(c)) why compliance with all or certain provisions of API RP 2003 is not necessary for the safety of a particular breakout tank.

   CRCT's O&M does not have a procedure for protecting against ignitions arising out of static electricity, lightning, and stray currents during operation and maintenance activities involving aboveground breakout tanks.

5. **§195.402(c)(3) – See Above**

   §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/ANSI B31.8 (incorporated by reference, see §195.3), reduced by the appropriate factors in §§195.106(a) and (e); or
   (ii) If the pipe is 323.8 mm (12¾ in) or less outside diameter and is not tested to yield under this paragraph, 1379 kPa (200 psig).

   CRCT's O&M for establishing maximum operating pressures (MOP) was deficient because Section 9.1was a restatement of the regulations. CRCT did not include a procedure on how the MOP is going to be determined (ie: calculations, what materials to be used, etc). Additionally, the procedure did not define what records will be kept and for how long. It was also noted that a procedure (Section 9.3) allowed for uprating of a liquid

line. This is not allowed by the hazardous liquid regulations and should be removed from the O&M.

6. **§195.402(c)(3) – See Above**

   §195.408 Communications.

   (b) The communication system required by paragraph (a) of this Section must, as a minimum, include means for:

   (3) Conducting two-way vocal communication between a control center and the scene of abnormal operations and emergencies;

   CRCT's procedure for communication systems was deficient because it did not include what CRCT utilizes for communications between field personnel at separate locations. The communication devices utilized by CRCT were not listed in the procedure.

7. **§195.402(c)(3) – See Above**

   §195.410 Line markers.

   (a) Except as provided in paragraph (b) of this Section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:

   (1) Markers must be located at each public road crossing, at each railroad crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.

   CRCT's O&M procedure for marking the line is deficient because the procedure did not reference addendum 6.0-ADM-004 which contain a more detailed procedure for permanent line markers.

8. **§195.402(c)(3) – See Above**

   §195.420 Valve maintenance.

   (a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.

   CRCT's procedure was deficient because it did not require that all valves needed for the safe operation of the system will be maintained in good working order at all times. This regulation does not just pertain to the mainline valves, but all valves that are needed for the safe operation within the pump station and breakout tank facilities.

9. §195.402(c)(3) – See Above

§195.422 Pipeline Repairs. - (a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.

§195.222 Welder Qualifications

a) Each welder or welding operator must be qualified in accordance with Section 6 or 12 of API Std 1104 (incorporated by reference, see §195.3) or with Section IX of ASME Boiler and Pressure Vessel Code (BPVC) (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.

CRCT's O&M Section 16 did not reference the correct edition of API 1104. Additionally, the incorrect section for welder qualification was also referenced in the manual. Currently, the 20th Edition and Section 6 are the correct edition and section of API 1104 incorporated by reference.

10. §195.402(c)(3) – See Above

§195.422 Pipeline Repairs. - (a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.

§195.226 Welding: Arc burns.

(a) Each arc burn must be repaired.

CRCT's arc burn repair procedure in the O&M was deficient because it did not reference the arc burn removal addendum. All guidance documents and other detailed procedures not included in the O&M must be referenced from the O&M.

11. §195.402(c)(3) – See Above

§195.422 Pipeline Repairs. - (a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.

§195.208 Welding of supports and braces.

Supports or braces may not be welded directly to pipe that will be operated at a pressure of more than 100 p.s.i. (689 kPa) gage.

CRCT's O&M did not have a procedure to prohibit the welding of supports to pipe that operate over 100 psig. CRCT's procedure did not indicate when personnel can weld supports to the pipe and what they have to do to provide another means of support for lines that operate above 100 psig.

12. §195.402(c)(3) – See Above

§195.422 Pipeline Repairs. - (a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.

§195.302 General requirements.

(a) Except as otherwise provided in this Section and in §195.305(b) , no operator may operate a pipeline unless it has been pressure tested under this subpart without leakage. In addition, no operator may return to service a segment of pipeline that has been replaced, relocated, or otherwise changed until it has been pressure tested under this subpart without leakage.

CRCT's O&M procedure for hydrotesting (Section 17) did not contain any information on determining the correct pressures on a pipeline hydro-test based on elevations and location of the test gauges. CRCT provided this information in an Excel spreadsheet which was shown to PHMSA during the review. This spreadsheet was not included or referenced from the procedure.

13. §195.402(c)(3) – See Above

§195.426 Scraper and sphere facilities.

No operator may use a launcher or receiver that is not equipped with a relief device capable of safely relieving pressure in the barrel before insertion or removal of scrapers or spheres. The operator must use a suitable device to indicate that pressure has been relieved in the barrel or must provide a means to prevent insertion or removal of scrapers or spheres if pressure has not been relieved in the barrel.

CRCT's O&M Section 8.1 is deficient because it did not reference addendum 7.01-ADM-009 Pig Launcher and Receiving. Section 8.1 is a restatement of the regulations while the addendum has the actual procedures for launching and receiving a pig.

14. §195.402(c)(3) – See Above

§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 7½ 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.

CRCT's O&M procedure for checking pressure limiting devices in Section 9.4 does not address the inspection of the flow controllers. Also, the referenced addendum 7.01-ADM-006 does not address the flow controllers either. Additionally, CRCT's process for checking the high pressure switches at the pump stations in the field did not match what is in the procedure (Section 9 and referenced addendum 701-ADM-006).

15. 195.402(c)(3) – See Above

§195.428 Overpressure safety devices and overfill protection systems

(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.

CRCT's O&M does not have a section that addresses the inspection of the overfill protection systems for the breakout tanks. The CRCT document 7.01-ADM-006 does cover inspection of over-fill devices, but was not referenced as an addendum from the O&M.

16. §195.402(c)(3) – See Above

§195.430 Firefighting equipment.

Each operator shall maintain adequate firefighting equipment at each pump station and breakout tank area. The equipment must be-

(a) In proper operating condition at all times;
(b) Plainly marked so that its identity as firefighting equipment is clear; and,
(c) Located so that it is easily accessible during a fire.

CRCT's procedure for firefighting equipment was deficient because it did not reference the addendum 2.01-ADM-026. Additionally, the procedure did not provide any details on the type, size, number and location of the firefighting equipment.

17. §195.402(c)(3) – See Above

§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.

CRCT's procedure for the required API 653 inspections of their tanks was deficient because it did not address the external 5 year ultrasonic inspection. Additionally, neither O&M Section 6 nor the referenced addendum 5.02-ADM-005 - Out of Service Tank Inspection defined the out of service inspection intervals which is 10 years. Also, the procedure did not define how they will justify an internal inspection interval that exceeds 10 years per API 653 and how that will be documented.

18. §195.402(c)(3) – See Above

§195.436 Security of facilities.

Each operator shall provide protection for each pumping station and breakout tank area and other exposed facility (such as scraper traps) from vandalism and unauthorized entry.

CRCT's O&M does not have a procedure for providing protection for each pump station and breakout tank areas. Section 18.5 is a restatement of the regulations. The procedure did not provide guidance to personnel in determining what kind of security is required for these facilities.

19. §195.402(c)(3) – See Above

§195.438 Smoking or open flames.

Each operator shall prohibit smoking and open flames in each pump station area and each breakout tank area where there is a possibility of the leakage of a flammable hazardous liquid or of the presence of flammable vapors.

CRCT's procedure was deficient because it did not reference the addendum 2.01-ADM-033. This addendum provides more guidance on CRCT's smoking and open flames policy.

20. §195.402(c)(3) – See Above

§195.442 Damage Prevention Program

(a) Except as provided in paragraph (d) of this Section, each operator of a buried pipeline must carry out, in accordance with this Section, a written program to prevent damage to that pipeline from excavation activities. For the purpose of this Section, the term "excavation activities" includes excavation, blasting, boring, tunneling, backfilling, the removal of aboveground structures by either explosive or mechanical means, and other earthmoving operations.

CRCT's O&M procedure for damage prevention in Section 18 was deficient because the procedure did not reference the following addendums which provided specific procedures for multiple tasks. They are as follows: 6.06-ADM-009 - One Call, 6.06-ADM-005 - Encroachment Guidelines, 606-ADM-003 - Line Locating, 606-ADM-006 - Blasting and Analysis.

Additionally, it was noted that 606-ADM-003 - Line Locating states CRCT personnel will be on-site if excavation is within 75 feet, but O&M Section 18 page 18-2 states 10 feet. CRCT did not ensure that there were no conflicts between the referenced addendums and the O&M procedure. Also, the requirement of an immediate locate or 48 hour locate is not in the Line Locating and One Call addendums.

21. §195.402(c)(3) – See Above

§195.561 When must I inspect pipe coating used for external corrosion control?

(a) You must inspect all external pipe coating required by Sec. 195.557 just prior to lowering the pipe into the ditch or submerging the pipe.

CRCT's O&M procedure in Section 10.2 is inadequate because CRCT did not have enough details about how they are going to inspect the pipe prior to lowering in. For

example, there was no holiday detector (jeeping) information in the procedure, which is how CRCT inspects the pipe. Some jeeping information is located in a coating specific document, but was incomplete (no voltage settings or jeep speed) and was not referenced from the O&M.

22. §195.402(c)(3) – See Above

§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 Sec. 195.571:

(2) Identify not more than 2 years after cathodic protection is installed, 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 SP 0169 (incorporated by reference, see § 195.3).

CRCT's O&M procedures did not identify the circumstances in which a close interval survey (CIS) is needed. However, during the O&M review, CRCT personnel explained to PHMSA what circumstances they utilize in which they would require a CIS. Those circumstances must be included in the manual.

23. §195.402(c)(3) – See Above

§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……...	**At least six times each calendar year, but with intervals not exceeding 2 ½ months**
Interference bond whose failure would jeopardize structural protection	
Other interference bond	**At least once each calendar year, but with intervals not exceeding 15 months.**

CRCT's O&M procedure for checking rectifiers in Section 10.5 of the corrosion section is inadequate because CRCT acquired the #1-8 and #3-8 lines from another company and they did not have a procedure to check the rectifiers that protect those new lines. Those

lines are protected by rectifiers owned by another company and will require a different procedure for CRCT to ensure that they are working correctly.

24. §195.402(c)(3) – See Above

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

(d) Breakout tanks. You must inspect each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank to ensure that operation and maintenance of the system are in accordance with API RP 651 (incorporated by reference, see § 195.3). However, this inspection is not required if you note in the corrosion control procedures established under §195.402(c)(3) why complying with all or certain operation and maintenance provisions of API RP 651 is not necessary for the safety of the tank.

CRCT's O&M did not have procedures for taking cathodic protection readings on the tank bottoms. CRCT did not provide guidance on where and when the readings on the tanks must be taken.

25. §195.402(c)(3) – See Above

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

(e) Corrective action. You must correct any identified deficiency in corrosion control as required by Sec. 195.401(b). However, if the deficiency involves a pipeline in an integrity management program under Sec. 195.452, you must correct the deficiency as required by Sec. 195.452(h).

CRCT's O&M procedure for remedial action on deficient cathodic protection readings was inadequate because it did not define what prompt remedial action means. PHMSA's expectation is that remedial action occurs before the next monitoring period.

26. §195.402(c)(3) – See Above

§195.579 What must I do to mitigate internal corrosion?

a) General. If you transport any hazardous liquid or carbon dioxide that would corrode the pipeline, you must investigate the corrosive effect of the hazardous liquid or carbon dioxide on the pipeline and take adequate steps to mitigate internal corrosion.

CRCT's O&M procedure for internal corrosion in Section 10.1 was inadequate because it did not have or reference their 6.01-ADM-001 document. This document provides more specific procedures for investigating and providing preventative measures.

27. §195.402(c)(3) – See Above

§195.587 What methods are available to determine the strength of corroded pipe?

Under §195.585,, you may use the procedure in ASME/ANSI B31G (incorporated by reference, see §195.3) or in PRCI PR-3-805 (R- STRENG) (incorporated by reference, see §195.3) to determine the strength of corroded pipe based on actual remaining wall thickness. These procedures apply to corroded regions that do not penetrate the pipe wall, subject to the limitations set out in the respective procedures.

CRCT's O&M procedures for determining remaining strength due to external corrosion were deficient because Section 10.8 and 10.10 should have all references changed from R-STRENG to B-31G, because B-31G is the method used by CRCT. Also, CRCT must revise the referenced addendum 6.01-ADM-002 to show that B-31G is used instead of R-STRENG.

28. §195.402(c)(3) – See Above

§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.

CRCT's O&M Procedure 4.8 is deficient because it did not indicate that annual surveys and exposed pipe inspections will be kept for the life of pipeline.

29. §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:

(4) Determining which pipeline facilities are located in areas that would require an immediate response by the operator to prevent hazards to the public if the facilities failed or malfunctioned.

CRCT's O&M did not have a procedure for determining which pipelines are located in areas that would require an immediate response if the facilities failed or malfunctioned. CRCT indicated that they respond to all incidents on their pipelines the same regardless of location, but that was not stated in the O&M.

30. §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:

(5) Analyzing pipeline accidents to determine their causes.

CRCT's O&M Section 19.16 for investigating a pipeline failure does not detail what the company is going to do to analyze and investigate an incident. For example, the procedure did not include a change of custody form for transportation of the failed specimen or the use of metallurgical testing protocols.

31. §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:

(10) Abandoning pipeline facilities, including safe disconnection from an operating pipeline system, purging of combustibles, and sealing abandoned facilities left in place to minimize safety and environmental hazards. For each abandoned offshore pipeline facility or each abandoned onshore pipeline facility that crosses over, under or through commercially navigable waterways the last operator of that facility must file a report upon abandonment of that facility in accordance with §195.59 of this part.

CRCT's O&M Section 3.4 for abandonment was inadequate because it is a restatement of the code. CRCT personnel indicated that they would develop an abandonment procedure when they actually need to abandon a line. However, that was not in the procedures. Also, if CRCT has an addendum procedure for abandonment, it should be referenced from the O&M.

32. §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:

(12) Establishing and maintaining liaison with fire, police, and other appropriate public officials to learn the responsibility and resources of each government organization that may respond to a hazardous liquid or pipeline emergency and acquaint the officials with the operator's ability in responding to a hazardous liquid or carbon dioxide pipeline emergency and means of communication.

CRCT's procedure for establishing liaison with fire, police, and other public officials in Section 18.7 is deficient because it did not reference the Public Awareness plan (PAP). The current procedure indicates that they will annually meet with fire, police, and public officials face to face. CRCT personnel indicated that they do not do this. They are relying on their PAP for this.

33. §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.

CRCT's O&M procedure for the effectiveness review of the O&M in Section 1.10 is inadequate because the procedure is a partial restatement of the regulation. It does not define how company personnel will do the review and how often. Additionally, the procedure does not indicate how personnel will document the effectiveness review.

34. §195.402 Procedural manual for operations, maintenance, and emergencies.

(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;

(1) Responding to, investigating, and correcting the cause of;

(i) Unintended closure of valves or shutdowns;
(ii) Increase or decrease in pressure or flow rate outside normal operating limits;
(iii) Loss of communications;

(iv) Operation of any safety device;
(v) Any other malfunction of a component, deviation from normal operation, or personnel error which could cause a hazard to persons or property.

CRCT's O&M for abnormal operations located in Section 13 was deficient because the procedure did not provide enough guidance on what actions need to be performed in each specific situation. For example, in the Loss of Communication Section, CRCT did not define what a "reasonable length of time" is before they classify the event as an abnormal operation. Also, CRCT did not define the activities each person is responsible for. The addendum 7.01-ADM-002 contains more specific procedures for abnormal operations but was not referenced from the O&M.

35. §195.402(d) – See above

(2) Checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation.

CRCT's O&M for checking the critical locations after an abnormal operation was inadequate because it was a repeat of the code language. Section 13.10 did not have a procedure for their personnel to know what to do. For example, CRCT indicated that they would determine the critical locations after the abnormal event occur and then check them as soon as the abnormal condition event was over.

36. §195.402(d) – See above

(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.

CRCT's O&M for periodic review of employee actions to determine the effectiveness of the abnormal operation procedure was just a restatement of the regulations. Section 13.9 did not define how often they do the evaluation, and how they will document it.

37. §195.402 Procedural manual for operations, maintenance, and emergencies.

(e) Emergencies. The manual required by paragraph (a) of this Section must include procedures for the following to provide safety when an emergency condition occurs;

(1) Receiving, identifying, and classifying notices of events which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action.

CRCT's procedures in Sections 19.3 and 19.4 were deficient because they did not reference the Facility Response Plan (FRP) which contains the procedures for notification of the qualified individuals and other appropriate personnel.

38. §195.402 (e) – See above

(2) Prompt and effective response to a notice of each type emergency, including fire or explosion occurring near or directly involving a pipeline facility, accidental release of hazardous liquid or carbon dioxide from a pipeline facility, operational failure causing a hazardous condition, and natural disaster affecting pipeline facilities.

CRCT's procedure for providing effective response to fire, natural disaster, and accidental release was deficient because it did not accurately detail what personnel would do if these scenarios should occur. For example, one of the steps indicated "If leaks are identified, shut the field down and close the liquid line inlet lines and blanket gas if it can be done safely". It does not appear that this step applies to crude oil pipelines.

39. §195.402 (e) – See above

(3) Having personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency.

CRCT's procedure for identifying the personnel and equipment needed at the scene of an emergency in Section 19.10 was not accurately defined. The list of personnel and equipment can be found in the FRP, which was not referenced from the O&M.

40. §195.402 (e) – See above

(9) Providing for a post accident review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found.

CRCT's procedure for post-accident review of employee's activities was deficient because the procedure did not provide any guidance on how to meet this requirement. For example, the procedure states: "Determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found." This is a partial restatement of the regulation with no guidance on how personnel are going to do this. The procedure did not provide guidance on what the post-accident review consists of, and how CRCT will document it.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 90 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Coffeyville Resources Crude Transportation, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Allan C. Beshore, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to CPF **3-2016-5007M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Allan C. Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*