

WARNING LETTER

VIA ELECTRONIC MAIL TO: jeff.ramsey@fhr.com randy.lenz@fhr.com
keith.walton@fhr.com and kim.gerold@fhr.com

April 19, 2021

Jeff Ramsey
President and CEO
Flint Hills Resources, LLC
4111 East 37th Street North
Wichita, Kansas 67220

CPF 3-2021-029-WL

Dear Mr. Ramsey:

From February 12, 2018 through April 3, 2020, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS) Central Region, pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your Koch Pipeline Company L.P. (KPL), now Flint Hills Resources, LLC (FHR) Operator Qualification program and records in Wichita, Kansas and Kansas City, Missouri.

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 item inspected and the probable violation is:

1. §195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) . . .

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

KPL, now FHR, failed to ensure through evaluation that individuals were qualified to perform covered tasks. Specifically, individuals and the qualifiers were found to have performed an inordinate number of qualifications in a single day.

PHMSA reviewed records provided by the operator associated with operator qualification that included Energy WorldNet (EWN) performance verification records, EWN exam records, NCCER exam records, operator performance verification records, and operator correspondence.

Individual employees receiving Operator Qualification Training:

Operator Qualification (OQ) records provided by the operator indicated an inordinate number of performance verification tasks and written/computer-based exams were completed by individual employees in a single day. For example, records indicated:

- On June 27, 2016, records indicated that 17 performance verification tasks were completed by an employee (Employee 01) in a single day. Further, an additional 6 written/computer-based exams were completed by this employee on the same day. Therefore, 23 performance verification tasks and written/computer-based exams were completed by this employee on June 27, 2016.
- On April 11, 2016, records indicated that 50 performance verification tasks were completed by an employee (Employee 02) in a single day. Further, an additional 19 written/computer-based exams were completed by this employee on the same day. Therefore, 69 performance verification tasks and written/computer-based exams were completed by this employee on April 11, 2016.
- On February 16, 2016, records indicated that 19 performance verification tasks were completed by an employee (Employee 03) in a single day. Further, an additional written/computer-based exam was completed by this employee on the same day. Therefore, 20 performance verification tasks and written/computer-based exams were completed by this employee on February 16, 2016.
- On January 12, 2016, records indicated that 17 performance verification tasks were completed by an employee (Employee 04) in a single day. Further, an additional 6 written/computer-based exams were completed by this employee on the same day. Therefore, 23 performance verification tasks and written/computer-based exams were completed by this employee on January 12, 2016.

Employee Evaluators and Proctors reviewing Operator Qualification training:

Operator OQ records provided by the operator indicated an inordinate number of performance verification evaluations and written/computer-based exam proctors were completed by individual employees in a single day. For instance, records indicated:

- On June 27, 2016, 17 performance verification tasks were evaluated by an employee (Employee 04) in a single day. Further, an additional 6 written/computer-based exams were proctored by this employee on the same day. Therefore, 23 performance verification tasks and written/computer-based exams were evaluated and proctored by this employee on June 27, 2016.
- On April 11, 2016, 47 performance verification tasks were evaluated by an employee (Employee 04) on a single day. Further, an additional 19 written/computer-based exams were proctored by this employee on the same day. Therefore, 66 performance verification tasks and written/computer-based exams were evaluated and proctored by this employee on April 11, 2016.
- On February 16, 2016, 18 performance verification tasks were evaluated by an employee (Employee 04) on a single day. Further, an additional written exam was proctored by this employee on the same day. Therefore, 19 performance verification tasks and written/computer-based exams were evaluated and proctored by this employee on February 16, 2016.
- On January 12, 2016, 17 performance verification tasks were evaluated by an employee (Employee 08) on a single day.

Flint Hills Resources has submitted a formal Operator Qualification Plan to correct these identified issues and will be implementing these measure across all their DOT jurisdictional systems. OPS Central Region will conduct inspects to verify compliance.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

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 Flint Hills Resources, LLC 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 3-2021-029-WL. 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,

Gregory A. Ochs
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

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