



June 2, 2023

VIA ELECTRONIC MAIL

Gregory A. Ochs
Director, Central Region
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
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Kansas City, Missouri 64106-2641
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**Re: Coffeyville Resources Crude Transportation, LLC
Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance
Order ("Notice"), CPF 3-2023-006-NOPV**

Dear Mr. Ochs:

This letter responds to the above-referenced Notice issued on May 4, 2023 in connection with the investigation of a February 10, 2022 release near Coffeyville Resources Crude Transportation, LLC's ("CRCT") Brothers Station.

Pursuant to 49 CFR § 190.208, CRCT is contesting the allegations but electing not to request a formal hearing on the matter. Following PHMSA's review, CRCT requests an opportunity to further discuss these matters and CRCT's response. On May 22, 2023, PHMSA granted CRCT's request for an extension of time to respond to the Notice, giving CRCT until June 5, 2023 to respond. CRCT appreciates the additional time to respond. CRCT also appreciates PHMSA providing its case file.

It is CRCT's position that it did not violate the investigation and mitigation of internal corrosion requirements under 49 CFR § 195.579. Please consider the following.

Notice of Probable Violation

1. § 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.

In the Notice, PHMSA alleges that CRCT failed to investigate the corrosive effect of the hazardous liquid on its pipeline or take adequate steps to mitigate internal corrosion.

CRCT Response:

Consistent with the applicable requirements under 49 CFR § 195, CRCT has a robust Integrity Management Program. CRCT's written Integrity Management Plan includes:

- A baseline assessment of CRCT's pipelines;
- Identification of high consequence areas and identification of preventive and mitigative measures to protect identified high consequence areas;
- An analysis that integrates all available information about the integrity of the pipelines and the consequences of a failure;
- A continual process of assessment and evaluation to maintain pipeline integrity;
- A process for review of integrity assessment results and information analysis by a person qualified to evaluate the results and information;
- Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis; and
- Methods to measure the program's effectiveness.

As noted by PHMSA, CRCT's Integrity Management Plan, Section 7.3 - Internal Corrosion, specifically identifies the threat presented by dead leg pipeline sections. For known dead leg pipeline sections, CRCT properly investigates the corrosive effects of the hazardous liquid and takes steps to mitigate internal corrosion.

As PHMSA acknowledges, CRCT was not aware that the dead leg segment existed. CRCT understood that this segment had been disconnected. *See Exhibit A attached hereto.* Had CRCT known of the dead leg segment, it would have included the segment in its threat matrix. *See Exhibit B attached hereto.*

In response to the incident, CRCT took immediate and comprehensive response actions. The release was not in a high consequence area nor an environmentally sensitive area. Essentially, all of the crude oil was recovered, and over 90% of the recovered oil was managed through the refining process. The release was fully contained within a dry watershed and no release to waters of the state occurred. All impacted soil was fully remediated, including verification sampling and testing completed to Kansas Department of Health and Environment cleanup standards, evidenced by the KDHE closure report number 49367. *See Exhibit C attached hereto.*

Since the incident, CRCT has taken additional steps to identify whether other unknown dead leg segments exist. Specifically, CRCT has completed the following actions:

- Comprehensive review of system low flow, idled or dead leg segments
- Added a low flow, idled or dead leg segment list to the IMP records.
- Initiated review of records and field conformation of segments considered to be idled.
- Added definitions to IMP to clearly define what CRCT considers as idle, low flow or dead leg segments.
- Implemented monthly cleaning tool runs on low flow or dead leg segments.
- Additional review of integrity assessments for indications of potential dead leg segments



including Tees and Taps.

The actions taken by CRCT should mitigate the possibility of reoccurrence of a similar event.

Based on a review of PHMSA's allegations and CRCT's records, CRCT does not agree that it failed to investigate the corrosive effect of the hazardous liquid on the dead leg segment or failed to take adequate steps to mitigate internal corrosion. PHMSA acknowledges that there were no prior incidents on the Valley 8" pipeline and this segment was unknown to CRCT. Given the aggressive corrective actions that CRCT has implemented and prompt response and cleanup taken by CRCT, there is no basis for the proposed civil penalty. CRCT requests that PHMSA withdraw the Notice.

The Notice also states that CRCT had two previous "corrosion failures" associated with the Wichita Pipeline system in 2011 and 2012. Per CRCT records, the failures that occurred in those years were not associated with this section of pipeline, and therefore not relevant to this incident.

Proposed Compliance Order

- A. In regard to Item 1 of the Notice pertaining to CRCT's failure to monitor and mitigate internal corrosion, CRCT must, within 90 days of the Final Order, provide a updated internal corrosion monitoring procedure that includes a process to periodically survey its pipeline segments for dead leg segments.

CRCT Response:

As explained above, CRCT has already taken additional steps to identify dead leg segments. CRCT has incorporated these management processes into its Integrity Management Plan and will provide a copy of the updated section to PHMSA.

CRCT is committed to compliance with the requirements of PHMSA and appreciates your consideration of this additional information. Since the February 10, 2022 incident, CRCT believes that it has addressed the item identified in the Proposed Compliance Order. CRCT respectfully requests that PHMSA take this response into consideration and withdraw the Notice and preliminarily assessed civil penalty. We would appreciate an opportunity to discuss the Notice and this response before PHMSA issues a final order.



Please contact Blake Record at 405-250-0910 or via email at BRecord@CVREnergy.com if you have any questions or cannot access or open the documents.

Sincerely,

A handwritten signature in black ink that reads "Keith Kuehn". The signature is written in a cursive, flowing style.

Keith Kuehn

VP-Crude Transportation
Coffeyville Resources Crude Transportation, LLC
KaKuehn@CVREnergy.com

cc: Janice T. DeVelasco, P.E. (via electronic mail)
Mr. Ronald McGill (via electronic mail)
Mr. Blake Record (via electronic mail)