



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

September 26, 2025

VIA ELECTRONIC MAIL TO: jeff.ramsey@fhr.com

Mr. Jeff Ramsey
President and CEO
Flint Hills Resources, LC
4111 E. 37th Street North
Wichita, Kansas 67220

CPF No. 3-2024-028-NOPV

Dear Mr. Ramsey:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Flint Hills Resources, LC, which was executed on August 27, 2025. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission and acknowledgement of receipt, or as otherwise provided under 49 CFR § 190.5

Thank you for your cooperation in this matter.

Sincerely,

LINDA GAIL
DAUGHERTY

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2025.09.24
18:10:16 -04'00'

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure: Consent Order and Consent Agreement

cc: David Barrett, Acting Region Director, Central Region, Office of Pipeline Safety, PHMSA
Randy Lenz, Senior VP Operations, Flint Hills Resources, randy.lenz@fhr.com
Kelly Cabrera, Senior Compliance Specialist, Flint Hills Resources,
kelly.cabrera@fhr.com
Kim Gerold, Manager Pipelines Safety, Flint Hills Resources, kim.gerold@fhr.com
James Curry, Counsel for Flint Hills Resources, Babst Calland, jcurry@babstcalland.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of

Flint Hills Resources, LC,

Respondent.

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CPF No. 3-2024-028-NOPV

CONSENT ORDER

By letter dated December 30, 2024, pursuant to 49 CFR § 190.207, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Notice of Probable Violation and Proposed Compliance Order (Notice) to Flint Hills Resources, LC (FHR or Respondent).

In response to the Notice, Respondent contested the proposed compliance order for Item 1 of the Notice and requested a hearing. Item 2 of the Notice was brought as a warning item, advising FHR to correct the probable violation or face potential future enforcement action. Respondent also requested to meet informally with PHMSA to discuss the matters raised in its Response. Respondent and PHMSA (the Parties) subsequently met on March 7 and June 12, 2025. As a result of those discussions, the Parties have agreed to a Consent Agreement by which PHMSA makes a finding of violation for Item 1 alleged in the Notice and Respondent will complete certain compliance actions.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Consent Order issued pursuant to section 190.219. FHR is hereby ordered to comply with the terms of the Consent Agreement pursuant to its terms. Pursuant to 49 U.S.C. § 60101, *et seq.*, failure to comply with this Consent Order may result in the assessment of civil penalties as set forth in 49 U.S.C. § 60122 and 49 CFR § 190.223, or in referral to the Attorney General for appropriate relief in a district court of the United States.

The terms and conditions of this Consent Order are effective upon service in accordance with 49 CFR § 190.5.

LINDA GAIL
DAUGHERTY

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2025.09.24
18:09:55 -04'00'

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

September 26, 2025

Date Issued

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of	)	
	)	
Flint Hills Resources, LC,	)	CPF No. 3-2024-028-NOPV
	)	
Respondent.	)	

CONSENT AGREEMENT

From April 18 through December 13, 2022, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), and the Minnesota Office of Pipeline Safety (MNOPS), pursuant to Chapter 601 of Title 49, United States Code (U.S.C.), inspected the Wisconsin Refined Products Pipeline System, the Wescott LPG System, and the Junction City LP Pipeline System, located in Minnesota and Wisconsin and operated by Flint Hills Resources, LC, and Flint Hills Resources Pine Bend, LLC (collectively referred to as FHR or Respondent).

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated December 30, 2024, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 CFR § 190.205. In accordance with 49 CFR § 190.207, the Notice proposed finding that FHR committed one violation of 49 CFR Part 195 (Item 1) and proposed ordering Respondent to take certain measures to correct the alleged violation. Item 2 was brought as a warning, advising FHR to correct the probable violation or face potential future enforcement action.

FHR responded to the Notice by letter dated January 29, 2025 (Response). Respondent contested the proposed compliance order and requested a hearing. FHR also requested to meet informally with PHMSA to discuss the matters raised in its Response.

PHMSA and Respondent (the Parties) subsequently met to discuss the issues raised in the Response. As a result of those discussions and as explained in more detail below, the Parties have agreed to a Consent Agreement by which PHMSA makes a finding of violation for Item 1 of the Notice and Respondent will complete certain compliance actions.

Having agreed that settlement of this proceeding will avoid further administrative proceedings or litigation and will serve the public interest by promoting safety and protection of the environment, pursuant to 49 U.S.C. § 60101, *et seq.* and 49 CFR Part 190, and upon consent and agreement, the Parties hereby agree as follows:

I. General Provisions

1. Respondent acknowledges that as the operator of the pipeline facilities subject to the Notice, Respondent and its referenced pipeline facilities are subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Consent Agreement (Agreement), Respondent acknowledges that it received proper notice of PHMSA's action in this proceeding and that the Notice states claims upon which relief may be granted pursuant to 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder.

2. After Respondent returns this signed Agreement to PHMSA, the Agency's representative will present it to the Associate Administrator for Pipeline Safety, recommending that the Associate Administrator adopt the terms of this Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of this Agreement.

3. Respondent consents to the issuance of the Consent Order, and hereby waives any further procedural requirements with respect to its issuance. Respondent waives all rights to contest the adequacy of notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except for the Dispute Resolution provisions set forth herein. Upon receipt of the Consent Order, Respondent agrees to withdraw its request for an administrative hearing regarding the Notice.

4. This Agreement shall apply to and be binding upon PHMSA and Respondent, its officers, directors, and employees, and its successors, assigns, or other entities or persons otherwise bound by law. Respondent agrees to provide a copy of this Agreement and any incorporated work plans and schedules to all of Respondent's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

5. This Agreement constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice.

6. Nothing in this Agreement affects or relieves Respondent of its responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against Respondent pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law.

7. For all transfers of ownership or operating responsibility of Respondent's pipeline system referenced herein, Respondent will provide a copy of this Agreement to the prospective

transferee at least 30 days prior to such transfer. Respondent will provide written notice of the transfer to the Director no later than 60 days after the transfer occurs.

8. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Respondent's pipeline systems. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Respondent remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

9. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondent or its officers, employees, or agents carrying out the work required by this Agreement. Respondent agrees to hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondent or its contractors in carrying out any work required by this Agreement.

10. Except as set forth herein, this Agreement does not constitute a finding of violation of any other federal law or regulation and may not be used in any civil proceeding of any kind as evidence or proof of any fact, fault or liability, or as evidence of a violation of any law, rule, regulation, or requirement, except in a proceeding to enforce the provisions of this Agreement or in future PHMSA enforcement actions.

II. Finding of Violation:

11. *Item 1 - 49 CFR § 195.446(c)(3)*: The Notice alleged FHR failed to test and verify an internal communication plan to provide for adequate means for manual operations of the pipeline safely at least once each calendar year not to exceed 15 months for calendar years 2019, 2020, and 2021. Without admission, Respondent accepts the allegation of violation as alleged in the Notice. As such, PHMSA finds a violation of 49 CFR § 195.446(c)(3).

12. Item 1 will be considered by PHMSA as a prior offense in any future PHMSA enforcement action taken against Respondent.

III. Warning Item:

13. *Item 2 - 49 CFR § 195.505(b)*: The Notice alleged that FHR failed to ensure that an individual performing a covered task was qualified. Specifically, the Notice alleged that two grind-out repairs were completed by a contractor individual who was not qualified to FHR's Operator Qualification (OQ) Program Covered Task 1004, Repair of Steel Pipe by Grinding. This Item was brought as a warning and does not constitute a finding of violation. Without admission, Respondent accepts the warning as alleged in the Notice.

14. For Warning Item 2, if OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

IV. Compliance Order:

15. *Item 1:* The Notice proposed certain compliance order actions to address the non-compliance alleged in the Notice. Respondent contested the Proposed Compliance Order. The Parties discussed the Proposed Compliance Order and PHMSA clarified that the Notice and Proposed Compliance Order in this case did not propose to require Respondent to continue to flow product manually after a loss of SCADA in order to comply with § 195.446. Following the 2022 preliminary inspection results and continuing through informal discussion, Respondent updated its procedures, as detailed in section A. below, and agrees to undertake the corrective measures detailed in section B. below.

A. FHR updated its internal communication procedures for manual operations in the event of a catastrophic SCADA system failure. FHR's updates to these procedures involved the following elements:

- i) Procedures for safe manual shut down, monitoring and operations.
- ii) Processes to monitor the pipeline system once it has been shut down, including methods for conducting leak detection and confirming the system is holding pressure.
- iii) Requirements for recording and documenting information necessary for manual operations, including ongoing monitoring of pressure readings for leak detection purposes once the system is shut down.
- iv) Identification of Abnormal Operating Conditions and corresponding actions.
- v) Identification of emergency response actions.
- vi) Control room personnel responsibilities for monitoring and controlling the system.
- vii) Field personnel responsibilities for monitoring, reporting, and responding to control room directions.
- viii) Annual testing and verification of the internal communication plan for manual operation of the pipeline safely, with intervals not to exceed 15 months. Per control room procedures, manual operation is limited to safe shutdown and monitoring of non-critical pipelines and for designated critical pipelines manual operations includes an alternative operations process to achieve continued product flow with limited operational capabilities.

Given the updates above, FHR has revised its procedures to comply with § 195.446(c)(3) and no further action is required insofar as procedural revisions.

B. Within **60** days of issuance of the Consent Order, FHR must provide to the Region:

- i) Records of training and training-related communications for controllers and situational awareness communications to field personnel related to the updated procedures; and
- ii) All records related to tests conducted to verify the internal communication plan, including any action items and related modifications and/or recommendations.

V. Enforcement:

16. This Agreement is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq.*, and 49 CFR Part 190, including administrative civil penalties under 49 U.S.C. § 60122, of up to \$272,926 per violation for each day the violation continues and referral of the case to the Attorney General for judicial enforcement, if PHMSA determines that Respondent is not complying with the terms of this Agreement in accordance with the determinations made by the Director, or in accordance with decisions of the Associate Administrator if resolved pursuant to the Dispute Resolution process herein. The maximum civil penalty amounts are adjusted annually for inflation. *See* 49 CFR § 190.223. All work plans and associated schedules set forth or referenced in Section IV (Compliance Order) are automatically incorporated into this Agreement and are enforceable in the same manner.

VI. Review and Approval Process:

17. With respect to any submission under Section IV (Compliance Order) of this Agreement that requires the approval of the Director, the Director may: (a) approve, in whole or in part, the submission; (b) approve the submission on specified, reasonable conditions; (c) disapprove, in whole or in part, the submission; or (d) any combination of the foregoing. If the Director approves, approves in part, or approves with conditions, Respondent will take all actions as approved by the Director, subject to Respondent's right to invoke the dispute resolution procedures with respect to any conditions the Director identifies. If the Director disapproves all or any portion of the submission, the Director will provide Respondent a written notice of the deficiencies. Respondent will correct all deficiencies within the time specified by the Director and resubmit it for approval.

VII. Dispute Resolution:

18. The Director and Respondent will informally attempt to resolve any disputes arising under this Agreement, including any decision of the Director under the terms of Sections IV (Compliance Order) and VI (Review and Approval Process). If Respondent and the Director are unable to informally resolve the dispute within 15 calendar days after the dispute is first raised, in writing, to the Director, Respondent may submit a written request for a determination resolving the dispute from the Associate Administrator. Such request must be made in writing and provided to the Director, counsel for the Central Region, and to the Associate Administrator, no later than 10 calendar days from the 15-day deadline for informal resolution referenced in this paragraph. Along with its request, Respondent must provide the Associate Administrator with all information Respondent believes is relevant to the dispute. Decisions of the Associate Administrator under this paragraph will constitute final agency action. The existence of a dispute and PHMSA's consideration of matters placed in dispute will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process.

VIII. Effective Date:

19. The term "Effective Date," as used herein, is the date on which the Consent Order is issued by the Associate Administrator incorporating the terms of this Agreement.

IX. Recordkeeping and Information Disclosure:

20. Unless otherwise required in this Agreement, Respondent agrees to maintain records demonstrating compliance with all requirements of this Agreement for a period of at least five (5) years following completion of all work to be performed, unless a longer period of time is required pursuant to 49 CFR parts 190-199. For any reports, plans, or other deliverables required to be submitted to PHMSA pursuant to this Agreement, Respondent may assert a claim of business confidentiality or other protections applicable to the release of information by PHMSA, covering part or all of the information required to be submitted to PHMSA pursuant to this Agreement in accordance with 49 CFR Part 7. Respondent must mark the claim of confidentiality in writing on each page, and include a statement specifying the grounds for each claim of confidentiality. PHMSA determines release of any information submitted pursuant to this Agreement in accordance with 49 CFR Part 7, the Freedom of Information Act, 5 U.S.C. § 552, DOT and PHMSA policies, and other applicable regulations and Executive Orders.

X. Modification:

21. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by both parties.

XI. Termination:

22. This Agreement will remain in effect until the Compliance Order in Section IV is satisfied, as determined by the Director. The Agreement shall not terminate until the Director confirms, in writing, that the Agreement is terminated in accordance with this paragraph. Nothing in this Agreement prevents Respondent from completing any of the obligations earlier than the deadlines provided for in this Agreement.

XII. Ratification:

23. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

24. The Parties hereby agree to all findings, conditions, and terms of this Agreement.

[Signature Lines on Following Page]

For FHR:


Randy Lenz (Aug 27 2025 17:07:33 GMT+1)

08/26/2025

Date

For PHMSA:

DAVID A BARRETT Digitally signed by DAVID A BARRETT
Date: 2025.08.27 13:10:29 -05'00'

Acting Director, Central Region, Office of Pipeline Safety

Date