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

901 Locust Street, Suite 480
Kansas City, MO 64106

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: matt.smorch@countrymark.com, blair.currie@countrymark.com

July 2, 2025

Mr. Matt Smorch
President and CEO
CountryMark Refining and Logistics, LLC
225 S. East St, Suite 144
Indianapolis, IN 46202

CPF 3-2025-017-NOA

Dear Mr. Smorch:

From August 5 through September 24, 2024, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected the plans and procedures for Control Room Management (CRM) of CountryMark Refining and Logistics, LLC (CountryMark) in Mount Vernon, Indiana.

As a result of the inspection, PHMSA has identified the following apparent inadequacies within CountryMark's plans or procedures. The items inspected, alleged inadequacies, and proposed revisions are described below:

1. **§ 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.
   (b) . . . .

> **(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) . . . .**
> **(4) Notifying responsible operator personnel when notice of an abnormal operation is received.**

CountryMark's CRM Program (rev. 14, effective July 2024) (CRM Plan), section 3.5.2, and its Operation and Maintenance Plan, (rev. 5, effective August 25, 2020) (O&M Plan), Procedure 195.402(d), were not adequate to ensure notification of responsible operator personnel when notice of an abnormal operation (AO) is received, per the requirements of § 195.402(d)(4). Specifically, the CRM Plan and O&M Plan failed to require field personnel to call the control room when an AO is discovered, and failed to define who is responsible for documenting AOs and the method of documenting and recording them.

49 CFR § 195.402(d)(4) requires an operator to notify "responsible operator personnel when notice of an abnormal operation is received" and § 195.446(f)(2) requires an operator's field personnel "to contact the control room when emergency conditions exist and when making field changes that affect control room operations." O&M Plan, Procedure 195.402(d), step 9 failed to include a step for field personnel to call the control room when an AO is discovered. This step was a part of CountryMark's practice, but it was not included in their procedure.

O&M Plan, section 14, "Abnormal Operation Incident Report," required reporting of an AO on a form with no further reference. O&M Plan section 16, step 1, stated that the supervisor at the site of the AO will complete Form "F-195.402(d)(5) Abnormal Operation: Procedure Review." However, the form itself stated the Manager of Pipeline Operations or the Pipeline Terminal Manager reviews the form, assesses it, and documents "any revisions that should be made to CountryMark procedures." This is not included in the O&M Plan. Additionally, O&M Plan, Procedure 195.402(d), step 2 listed additional personnel who were authorized to review the AO response to determine its effectiveness.

The control room, however, uses a different process to document AOs. CRM Plan section 3.5.2.6 only required the controller to document and communicate the AO condition during shift handover. CRM Plan, section 7.2, stated:

> The Pipeline Controller will document by making a log entry in POEMS CRM Software Suite when and under what circumstances the control room is contacted by field personnel concerning changes that could affect control room operations. These along with internal data such as near miss, [Abnormal Operating Condition] documentation and incident data are reviewed by the Pipeline Control Center Supervisor to confirm contact to the control room is being made as required.

During the inspection, the operator demonstrated that the application POEMS CRM Software Suite was used for logging and documenting AOs. It is unclear, however, from the two procedures—the O&M and CRM Plan—whether the two methods of reporting AOs are merged into one record and reviewed, or if there are separate reviews.

Therefore, both the CRM Plan and O&M Plan require revision to meet the requirements of §§ 195.446(b)(2), 195.402(d)(4), and 195.446(f)(2). These procedures must be amended to include: a requirement for field personnel to contact the control room if they identify an abnormal operation, the method for controllers to document the AO consistent with the current practice, consistency between all O&M procedures for who is responsible for completing and reviewing the Abnormal Operation Incident Report, and how the POEM CRM Software Suite will be incorporated into these reviews.

2. § 195.446 Control room management.

> **(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. . . .**
> **(b) *Roles and responsibilities.* Each operator must define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions. To provide for a controller's prompt and appropriate response to operating conditions, an operator must define each of the following:**
> **(1) . . . .**
> **(3) A controller's role during an emergency, even if the controller is not the first to detect the emergency, including the controller's responsibility to take specific actions and to communicate with others.**

The CRM Plan, section 3.5.3, was not adequate to demonstrate compliance with § 195.446(b)(3) because it did not define a controller's role during an emergency. Specifically, it did not provide a process for approval to restart the pipeline after a shut down. CRM Plan section 3.2, "Authority and Responsibility," stated, "the Pipeline Controller on duty has the authority and responsibility to shut down any pipeline which they are operating if there are any possible indications of a release." This section also provided that restart requires approval from the "Manager of Pipeline Maintenance, Pipeline Operations Manager, Pipeline Control Center Supervisor, or the Director of Midstream." CRM Plan section 3.5.3 stated, "the Pipeline Controller can start-up the line after approval from the Manager of Pipeline Maintenance, Operations Supervisor, or the Manager of Crude Gathering and Transportation."

However, O&M Plan, Procedure 195.402(e), "Emergency Response," section 10.3, stated, "[t]he responsibility for all actions in response to an emergency, rests with the Pipeline Superintendent. He will determine shutdowns, isolation of line segments, repairs, tests, and restarts as required…." This appears to conflict with the CRM Plan, especially since controllers are directed to follow O&M Plan, Procedure 195.402(e), "Emergency Response," in CRM Plan section 3.5.3.

CountryMark did not have a detailed process of defining how the decision to restart will be made, how that decision will be documented, and how the decision will be communicated to the controller. The practice in place was not consistent. CountryMark personnel indicated during the inspection that sometimes the authorization was given verbally and sometimes written, through email. The decision to restart after shutdown, especially after an indication of rupture or leak, is a critical decision to avoid the potential for exacerbating the situation and contributing more to an event, and therefore, it should be clearly detailed in the procedure.

Additionally, section 10.3 of O&M Plan, Procedure 195.402(e), "Emergency Response," stated, "[a]ll emergencies should be called into the dispatcher." This makes calling into the control room (dispatcher) optional. Having the call, which reports the presence of an emergency, be optional hinders a controller's ability to execute their role during emergencies. Controllers must be notified of emergencies for controllers to execute their roles and responsibilities during emergencies.

In addition, § 195.402(e)(10) requires an operator's manual for operations, maintenance, and emergencies to include procedures for actions to be taken by a controller during an emergency, in accordance with the emergency plans required by § 195.446. Considering the inadequate procedures described above which failed to meet the compliance requirements of § 195.446(b)(3), the procedures were also inadequate to satisfy § 195.402(e)(10).

The procedures must be amended to provide clear and consistent processes defining who has the authority for restart after a pipeline shut down for reasons other than normal operations. Considerations for the determination of restart must be included. The procedure also must define the method to document the authorization for restart and its communication to the control room.

3. § 195.446 Control room management.

> **(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section.**
> **(b) . . . .**
> **(c) *Provide adequate information.* Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:**
> **(1) Implement API RP 1165 (incorporated by reference, *see* § 195.3) whenever a SCADA system is added, expanded or replaced, unless the operator demonstrates that certain provisions of API RP 1165 are not practical for the SCADA system used;**

CountryMark's CRM Plan, section 4.4, was not adequate to demonstrate compliance with § 195.446(c)(1) for providing controllers the information, tools, processes, and procedures to carry out their responsibilities. Specifically, CountryMark did not provide definitions or examples of "added, expanded or replaced" related to when to implement API RP 1165 in its SCADA system. Absent definitions or examples, the CRM Plan does not provide sufficient guidance on when to implement API RP 1165. Furthermore, CRM Plan, section 4.4, misstated the regulation. Section 4.4 used the language, "modified, expanded, or replaced," whereas the language of the regulation is "added, expanded or replaced." Additionally, Form F-195.446(c)(1) stated, "[t]his form should be completed after a SCADA system change is added, expanded or repaired." "Repaired" is an inappropriate word and is not consistent with to the procedure or regulatory language.

The procedure must be amended to provide definitions for added, expanded, and replaced, as well as examples that reflect the definitions. Also, the procedure and form must be amended to reflect the regulatory language.

4. § 195.446 Control room management.

> **(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section .**
> **(b) . . . .**
> **(d) *Fatigue mitigation.* Each operator must implement the following methods to reduce the risk associated with controller fatigue that could inhibit a controller's ability to carry out the roles and responsibilities the operator has defined:**
> **(1) . . . .**
> **(2) Educate controllers and supervisors in fatigue mitigation strategies and how off-duty activities contribute to fatigue.**

CountyMark's CRM Plan, section 5.9, and related Form F-195.446(h), were not adequate to demonstrate that controllers and supervisors were educated in fatigue mitigation strategies and how off-duty activities contribute to fatigue, as required by § 195.446(d)(2). CRM Plan, section 5.9, listed criteria to consider when evaluating the effectiveness of the fatigue training program. For example, criteria listed included "[i]ncrease in Pipeline Controller reports of potential fatigue" and "[i]ncrease use of fatigue mitigation tactics." However, the CRM Plan did not provide values or measures to determine effectiveness of the training. Absent values or measures to determine effectiveness, it cannot be determined that the education program had any effect.[1] Additionally, section 5.9 required test scoring; however, no corresponding test was included on Form F-195.446(h). Form F-195.446(h) only considered training completion.

Country Mark used Form 195.446(h) as the form to document a review of the fatigue training program. Form F-195.446(h) did not include all the criteria listed in CRM Plan section 5.9. CRM Plan section 5.9 listed "Increase in Pipeline Controller reports of potential fatigue" but the form provided for "Number of reports of fatigue or potential fatigue;" however, the form had no history of data section to calculate a difference, year-on-year or greater. None of the other criteria listed in CRM Plan, section 5.9, were included in the form.

The CRM Plan needs to be amended to provide measures to support the criteria for determining training effectiveness. Form F-195.446(h) needs to be amended to require the documentation of the criteria data, analysis, findings and document the review to determine if the fatigue education and training program is effective once each calendar year not to exceed 15 months.

[1] Per § 195.402(a) and (c)(13), respectively, the manual for operations, maintenance, and emergencies must 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; and the manual must include procedures for 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.

5. § 195.446 Control room management.

> **(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section.**
> **(b) . . . .**
> **(e) *Alarm management.* Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:**
> **(1) Review SCADA safety-related alarm operations using a process that ensures alarms are accurate and support safe pipeline operations.**

CountryMark's Alarm Management Program (rev. 3, effective October 2012) (ALM Plan), section 1.7, "Roles and Responsibilities," was not adequate to demonstrate compliance with having a process that ensures alarms are accurate and support safe pipeline operations, as required by § 195.446(e)(1). Specifically, the ALM Plan required the controller to "[i]nitiate work requests to repair malfunctioning field devices responsible for nuisance alarms." CountryMark employed a work order system named "The D365 System" (D365). Controllers could create and submit a ticket to D365 that is reviewed by the supervisor or manager of the control room. The ticket then was sent to field operations for further review. The field operations assigned the ticket to a group or individual for follow-up. This process was not described or detailed in any process or training content. There are various priority levels in D365 to assign to tickets which represent time requirements for tickets to be completed. Examples include annual maintenance tasks, complete in 30 days, etc. These priorities, or how to select the appropriate priority for a task, were not identified in any procedure. As "[i]nitiate work requests" is specifically identified in a controller's roles and responsibilities, there should be a procedure and training content for D365, since it is used to initiate SCADA safety-related alarm operations reviews.

While the D365 system is a powerful tool to create, assign, and document work, there was not a process to track progress or completion of tickets to verify the priority requirements were being met or to escalate tickets that were exceeding the priority established time limits. Exceeding priority time limits would be considered a deficiency of CountryMark's ALM Plan required by § 195.446(e)(6).

The ALM Plan must be amended to detail the conditions and steps to create a work ticket in the D365 system. It must define the priorities and time limits to complete the ticket and define who is responsible for the review and the frequency of the review of completed and outstanding work tickets for control room generated tickets. The ALM Plan also needs to include a process for escalation of review where there is a designated exceedance of the priority limits.

6. § 195.446 Control room management.

> **(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a**

pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section.
(b) . . . .
(e) *Alarm management.* Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:
(1) . . . .
(3) Verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months.

CountryMark's CRM Plan, section 6.6, was not adequate to demonstrate compliance with § 195.446(e)(3) because it simply restated the regulation and did not provide a process to identify who is responsible for the review, how the review will be conducted, what information will be used as the set point and description standard, how identified deficiencies will be documented, and how the activity for the verification will be recorded.

The CRM Plan must be amended to provide details on who is responsible for the review, how the review will be conducted, what information will be used as the set point and description standard, how identified deficiencies will be documented, and how the activity for the verification will be recorded. This must include considerations for when field instruments are calibrated or changed as well as at least once each calendar year, but at intervals not to exceed 15 months.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 CFR § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Enforcement 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. 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 an Order Directing Amendment. If 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 CFR § 190.206). If you are not contesting this

Notice, we propose that you submit your amended procedures to my office within 30 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 CountryMark Refining and Logistics, 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 the Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2025-017-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

DAVID A BARRETT Digitally signed by DAVID A BARRETT
Date: 2025.07.02 08:42:59 -05'00'

David Barrett
Acting Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: Blair Currie, Manager Pipeline Integrity, CountryMark, **blair.currie@countrymark.com**

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