February 5, 2020

Ms. Mary L. McDaniel
Director, Southwest Region
Pipeline and Hazardous Safety Administration
8701 S. Gessner Road, Suite 630
Houston, Texas 77074

RECEIVED
FEB 28 2020
BY: ....

Re: CPF 4-2019-5022M

Dear Ms. McDaniel,

On September 23-27, 2019 and October 7-9. 2019, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) performed an inspection of EPIC Consolidated Operations, LLC records and procedures for pipeline facilities in New Mexico and Texas. As a result of this inspection a Notice of Amendment (NOA), CPF 4-2019-5022M, was sent to EPIC. The NOA was dated December 30, 2019 and was received on January 3, 2020. On January 30, 2020, an EPIC representative requested a 30-day extension to respond to the NOA.

The NOA states that EPIC procedures per 49 CFR Part 195.402(c)(13) were found to be inadequate by the PHMSA representatives that performed the inspection of EPIC's facilities in New Mexico and Texas. Specifically cited was the written procedure in EPIC's O&M Section 2.1 and Form 21.2.

EPIC maintains that the procedure and documentation are in compliance with 49 CFR Part 195.402(c)(13) at the time of the inspection. However, in reviewing the NOA, EPIC agrees to make revisions to the procedure and documentation so that EPIC personnel responsible for the periodic procedure reviews have a better-defined process to follow. EPIC has elected to document the periodic procedures review during the year at the annual O&M manual review. The periodic reviews will be done throughout the year by EPIC pipeline manager and pipeline supervisors using the criteria outlined in EPIC O&M Section 2.1. Please review the attached amended O&M Section 2.1 and Form 21.2 that is used to periodically review and document the effectiveness of the O&M procedures.

Finally, EPIC would like to assure your agency that we share a common interest in safety and with best effort implement pipeline safety on all of our pipeline facilities, and welcomes the help of your agency in staying one of the safest pipeline operators in Texas.

Respectfully,

Phil Mezey
CEO

EPIC CRUDE TERMINAL COMPANY, LP
18615 TUSCANY STONE, SUITE 300
SAN ANTONIO, TEXAS 78258

HOUSTON	CORPUS CHRISTI	MIDLAND	FT. STOCKTON
1000 LOUISIANA, SUITE 6500	500 N. SHORELINE BLVD., SUITE 811	500 WEST TEXAS AVE, SUITE 110	1883 NORTH US HIGHWAY 285
HOUSTON, TEXAS 77002	CORPUS CHRISTI, TEXAS 78401	MIDLAND, TEXAS 79701	FT. STOCKTON, TEXAS 79735

2 PROGRAM REVIEW

2.1 O&M PROCEDURES REVIEW §195.402(c) (13)

Periodically, the pipeline manager and/or supervisors will review the work done by personnel to determine the effectiveness of the procedures used in normal operation and maintenance tasks. The periodic evaluation should analyze the following elements as applicable:

1. Review of accident investigations
2. Review of near misses and AOCs
3. Feedback given by personnel on specific procedures
4. Feedback given by safety personnel on specific procedures
5. Procedures review during periodic reviews

The periodic review will be documented annually not to exceed 15 months with the O&M annual review. Any procedure found to be inadequate will be revised and documented in the O&M revision log and form 21.2 Hazardous Liquid O&M Annual Review or equivalent. Any revised procedure will be communicated to affected personnel via email, safety meetings, training meetings or other appropriate methods.

2.2 O&M MANUAL REVIEW §195.402(a)

This manual will be evaluated for effectiveness every calendar year (not to exceed 15 months) by the VP of Engineering & Operations. The following will be reviewed to determine the manual's adequacy:

- Regulatory Mandates
- Organizational Changes
- Pipeline Acquisitions or Modifications
- Procedure Modifications
- Leaks / Spills
- Change in Commodities Transported

Operations & Maintenance Manual reviews and revisions will be noted on Form 21.2 O&M Manual Review/Revision Form (or similar form) and Section 21: Change Log.

2.3 MODIFICATIONS TO MANUAL

Revisions to this manual will be prepared within 90 days after review by the VP of Engineering & Operations. Any changes to procedures in the manual must be filed with the Director of Transportation at the New Mexico public regulation commission within 20 days after the change is made. Changes will be communicated to affected personnel as via email, safety meetings, training meetings or other appropriate methods and updates made to manual copies maintained according to Section 2.4 Manual Availability.

2.4 MANUAL AVAILABILITY

Copies of this manual will be maintained on the Company intranet and made available to affected employees and contractors. A copy of this manual must also be filed with the Director of Transportation at the New Mexico Public Regulation Commission. A copy may be mailed to:

New Mexico Public Regulation Commission
Attn: Transportation Division Director
PO Box 1269
Santa Fe, NM 87504-1269

EPIC	**Form 21.2** **HAZARDOUS LIQUID O&M ANNUAL REVIEW**

Performance Measures	Yes	No
1. Have there been any procedure modifications, system changes, changes in commodity transported, etc. that would require changes to the Hazardous Liquid O&M manual?	☐	☐
Comments:		
2. Are required O&M activities being completed according to schedule?	☐	☐
Comments:		
3. Have there been any regulatory changes, advisory bulletins, etc. that would require changes to the manuals?	☐	☐
Comments:		
4. Have there been any internal/external audits or inspections that identified manual deficiencies?	☐	☐
Comments:		
5. Based on periodic reviews and knowledge of the work performed by personnel throughout the year, are the O&M procedures understood and effective?	☐	☐
If yes, were the root causes of any incident determined to be integrity related?	☐	☐
Comments:		
6. Were any O&M procedures found to be inadequate during the periodic review of work done by personnel?	☐	☐
Comments:		
7. Were the O&M procedures periodically reviewed using the procedure in Section 2 of the O&M Manual using all or a combination of the following considerations where applicable?	☐	☐
7.1. Were there any accidents from which the O&M Procedure was found to be a contributing factor?	☐	☐
(If yes, describe):		

EPIC	**Form 21.2** **HAZARDOUS LIQUID O&M ANNUAL REVIEW**

Performance Measures	Yes	No
7.2. Where any near misses or AOC's caused or contributed to by an O&M procedure?	☐	☐
(If yes, describe):		
7.3. Was any feedback given to personnel that resulted in a revision to an O&M procedure?	☐	☐
(If yes, describe):		
7.4. Was any feedback given by safety personnel that resulted in a revision to an O&M procedure?	☐	☐
(If yes, describe):		
7.5. During periodic procedure reviews by the pipeline manager and/or supervisors was any procedure revised?	☐	☐
(If yes, describe):		
8. Has the Emergency Response Plan been reviewed to ensure procedures are understood and effective?	☐	☐
Comments:		
Based on this review, are changes needed to the Hazardous Liquid O&M Manual?	**Yes** ☐	**No** ☐
If yes, list all changes needed, person responsible and due date.		

Names of Participants	Title

Management Approval		
Signature	**Title**	**Date**