

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

October 27, 2021

Harold Rinehart
Vice President of Health, Environmental, Safety and Security
Western Refining Logistics, LP
4600 J Barry Court, Suite 500
Canonsburg, Pennsylvania 15317

CPF 4-2021-010-NOPV

Dear Mr. Rinehart:

From October 12, 2020, through May 21, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your Western Refining Logistics, LP (WRL) pipelines in Texas and New Mexico.

As a result of the inspection, it is alleged that WRL has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. § 195.420 Valve Maintenance

(a) ...

(b) Each operator shall, at intervals not exceeding 7 1/2 months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

WRL failed to inspect, at intervals not exceeding 7½ months but at least twice each calendar year, each mainline valve to determine that it was functioning properly. WRL conducted inspections on 34 of its mainline valves once each calendar year for 2018, 2019, and 2020, rather than twice each calendar year as required under §195.420(b). Immediately prior to the PHMSA inspection (September 1, 2020) WRL identified the issue and documented its finding in the Remedial Action Plan, Form No. 118.

2. § 195.434 Signs

Each operator must maintain signs visible to the public around each pumping station and breakout tank area. Each sign must contain the name of the operator and a telephone number (including area code) where the operator can be reached at all times.

WRL failed to install signs on six above ground valve stations as required by §195.434. During PHMSA's field inspection from May 17, 2021 through May 21, 2021, PHMSA observed no signage on the fences at Block Valve 3 outside of Brown Bear Station, CTB32 Block Valve, BV-4796-5, BV-4800-5.3, BV- 4500-4.5, and BV-4500-8.5.

WRL's written procedure, *Operation and Maintenance Manual, SWG-PGM-0062, 38. Signs for Aboveground Facilities 195.434* (Published 9/17/2020), states: "Identify aboveground facilities (exposed pipelines, meter stations, valve sites, pump stations, well sites, breakout tank area etc.) with a sign that contains, at a minimum, the Company name and logo, Facility Name and/or Mile Post Number, Latitude and Longitude, and 24-hour Emergency Contact Number."

Following the inspection, WRL provided documentation to show that signs were installed at the identified locations.

3. § 195.573 What must I do to monitor external corrosion control?

(a) You must do the following to determine whether cathodic protection required by this subpart complies with § 195.571:

(1) ...

(2) Identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169 (incorporated by reference, see § 195.3).

WRL failed to have a procedure to identify, not more than two years after cathodic protection was installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169 as required by § 195.573(a)(2). NACE SP 0169 Section 10.1.1.3 states:

"When practicable and determined necessary by sound engineering practice, a detailed (close-interval) potential survey should be conducted to:

- (a) assess the effectiveness of the CP system;
- (b) provide base line operating data;
- (c) locate areas of inadequate protection levels;
- (d) identify locations likely to be adversely affected by construction, stray currents, or other unusual environmental conditions; or
- (e) select areas to be monitored periodically."

WRL did not have a procedure to determine whether a close-interval survey was necessary. PHMSA addressed the requirement as part of the inspection and WRL revised its procedures to address the deficiency by adding a new Section 6.1.2 under the heading of 6.0 Close Interval Surveys (CIS).

WRL has not conducted a close-interval survey or utilized other comparable technology for four of its pipeline segments including the Benny Express segment (in-service date 7/14/2017); the T-Station to CR-1 Station segment (in-service date 7/12/2013); the T-Station to Mason Station segment (in-service date 4/18/2018); and the Mason Station to Jackrabbit Station segment (in-service date 10/21/2015). All four of the pipeline segments have been in service for more than two years.

4. § 195.573 What must I do to monitor external corrosion control?

(a) ...

(d) Breakout tanks. You must inspect each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank to ensure that operation and maintenance of the system are in accordance with API RP 651 (incorporated by reference, see § 195.3). However, this inspection is not required if you note in the corrosion control procedures established under § 195.402(c)(3) why complying with all or certain operation and maintenance provisions of API RP 651 is not necessary for the safety of the tank.

WRL failed to inspect the cathodic protection system used to control corrosion on the bottom of three of its above-ground breakout tanks as required by § 195.573(d). WRL did not inspect the cathodic protection system on the bottom of above-ground breakout tanks 4111, 4112, and 4113 for calendar year 2019 to ensure that the operation and maintenance of the system were in accordance with API Recommended Practice 651. WRL conducted the required cathodic protection inspection on May 27, 2020.

5. § 195.583 What must I do to monitor atmospheric corrosion control?

(a) ...

(b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

WRL failed to give particular attention to pipe at soil-to-air interfaces as required by §195.583(b). During PHMSA's field inspection from May 17, 2021 through May 21, 2021, PHMSA found exposed pipe and disbonded coating at the soil-to-air interface of the pipe at CTB 2 Pump Station (Antiem 9 Fed) and CTB 28 ROW Receiver/Block Valve (12" mainline).

Following the inspection, WRL provided documentation to show the exposed pipe and disbonded coatings were remediated at the soil-to-air interface.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, WRL is subject to a civil penalty not to exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not 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 propose a civil penalty assessment at this time.

Compliance Order

With respect to Item 3 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to WRL. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to Items 1, 2, 4, and 5, 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 promptly correct these items. Failure to do so may result in additional enforcement action.

Response to this Notice

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, or request a hearing under 49 CFR § 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 a Final Order.

If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 4-2021-010-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

cc: Tony Minutillo, Pipeline Compliance Supervisor, MPLX/MarkWest Energy Partners,
L.P., TMinutillo@MPLX.com

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Western Refining Logistics, LP (WRL) a Compliance Order incorporating the following remedial requirements to ensure compliance with the pipeline safety regulations:

- A. In regards to Item 3 of the Notice pertaining to determining the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169 as required by § 195.573(a)(2), WRL must conduct a close interval survey or provide an engineering study for the Benny Express segment, T-Station to CR-1 Station, T-Station to Mason Station, Mason Station to Jackrabbit station segments, and any other segment that exceeds the two years after installation of cathodic protection. These items must be accomplished within 90 days following receipt of the issued Final Order.
- B. Submit documentation of WRL's compliance with Section A within 90 days following receipt of the issued Final Order to Mary L. McDaniel, P.E., Director, Southwest Region, 8701 South Gessner, Suite 630, Houston, Texas 77074.
- C. It is requested (not mandated) that WRL's maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary L. McDaniel, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.