



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

8701 S. Gessner, Suite 630
Houston TX 77074

NOTICE OF AMENDMENT

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

February 10, 2022

Glen Hicks
Manager of Engineering
Monarch Oil Pipeline, LLC
11757 Katy Freeway, Suite 500
Houston, Texas 77079

CPF 4-2022-016-NOA

Dear Mr. Hicks:

From March 11, 2021 through April 21, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code, inspected Monarch Oil Pipeline, LLC's (Monarch) operations and maintenance procedures in Canadian, Texas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Monarch's plans or procedures, as 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) . . .

(3) Correcting variations from normal operation of pressure and flow equipment and controls.

Monarch's written *Liquid Pipeline Operations, Maintenance & Emergency Manual, 13.6 Increase/Decrease in Operating Pressure* (Revision Date: October 28, 2017) is inadequate because it does not include specific procedures for correcting variations from normal operation of pressure and flow equipment when operating design limits have been exceeded.

Monarch must amend its procedures to include provisions for correcting variations from normal operation of pressure and flow equipment and controls as required by § 195.402(d)(3).

2. § 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.

Monarch's written *Liquid Pipeline Operations, Maintenance & Emergency Manual, 13.6 Increase/Decrease in Operating Pressure* (Revision Date: October 28, 2017) is inadequate because it does not describe specific procedures for notifying responsible operator personnel when notice of an abnormal operation is received, in order to provide safety when operating design limits have been exceeded.

Monarch must amend its procedures to include specific requirements for notifying responsible operator personnel when notice of an abnormal operation is received in accordance with § 195.402(d)(4).

3. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1) ...

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§195.422 Pipeline repairs.

(a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.

Monarch's written *Liquid Pipeline Operations, Maintenance & Emergency Manual, 15.1 General Repair Requirements (195.422)* (Revision Date: October 28, 2017) is inadequate because it does not describe specific requirements for making pipeline repairs in a safe manner. Specifically, Monarch's manual does not include procedures requiring control room notification and staging of safety equipment necessary during the repair process.

Monarch must amend its procedures to include specific requirements for control room notification and staging of safety equipment to insure that repairs are made in a safe manner in accordance with § 195.422(a).

4. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1) ...

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§ 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.

Monarch's written *Liquid Pipeline Operations, Maintenance & Emergency Manual, 6 Breakout Tanks and 10.4 Cathodic Protection Survey Requirements* (Revision Date: October 28, 2017) are inadequate because they do not describe the inspection of cathodic protection systems used to control corrosion on the bottom of aboveground breakout tanks.

Monarch must amend its procedures to describe the inspection of cathodic protection systems used to control corrosion on the bottom of aboveground breakout tanks in accordance with § 195.573(d).

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance 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 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 90 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 Monarch Oil Pipeline, 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 Mary L. McDaniel, Director, Southwest, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2022-016-NOA** 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

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