



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

8701 S. Gessner, Suite 630
Houston TX 77074

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: steve.ledbetter@hfsinclair.com

December 3, 2024

Steven Ledbetter
Executive Vice President, Commercial
HF Sinclair Corporation
2828 N. Harwood St, Suite 1300
Dallas, TX 75201

CPF 4-2024-055-NOA

Dear Mr. Ledbetter:

From February 27 to May 11, 2023, of the onsite inspection, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Sinclair Transportation Company, LLC's¹ (Sinclair) procedures for its hazardous liquid pipeline facilities in Sinclair, Wyoming.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within Sinclair's plans or procedures. The items inspected and the inadequacies are described below:

1. § 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)

(2)

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

§ 195.417 Notification of potential rupture.

(a) As used in this part, a notification of potential rupture means the notification to, or observation by, an operator (e.g., by or to its controller(s) in a control room, field personnel, nearby pipeline or

¹ Sinclair Transportation Company, LLC, is a subsidiary of HF Sinclair Corporation.

utility personnel, the public, local responders, or public authorities) of one or more of the below indicia of a potential unintentional or uncontrolled release of a large volume of hazardous liquids from a pipeline:

(1) An unanticipated or unexplained pressure loss outside of the pipeline's normal operating pressures, as defined in the operator's written procedures. The operator must establish in its written procedures that an unanticipated or unplanned pressure loss is outside of the pipeline's normal operating pressures when there is a pressure loss greater than 10 percent occurring within a time interval of 15 minutes or less, unless the operator has documented in its written procedures the operational need for a greater pressure-change threshold due to pipeline flow dynamics (including changes in operating pressure, flow rate, or volume), that are caused by fluctuations in product demand, receipts, or deliveries;

(2) An unanticipated or unexplained flow rate change, pressure change, equipment function, or other pipeline instrumentation indication at the upstream or downstream station that may be representative of an event meeting paragraph (a)(1) of this section; or

(3) Any unanticipated or unexplained rapid release of a large volume of hazardous liquid, a fire, or an explosion, in the immediate vicinity of the pipeline.

Sinclair's written procedures for conducting operations and maintenance activities were inadequate to provide for safe operation of a pipeline facility in accordance with § 195.402(c)(3). Specifically, Sinclair's Operations and Maintenance Manual, revised July 21, 2021, failed to contain provisions for operator personnel to identify a notification of potential rupture in accordance with § 195.417.

Sinclair must revise its written procedures to include provisions for operator personnel to identify a potential rupture and instructions on notification of a potential rupture in accordance with § 195.417(a).

2. § 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)

(2)

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

§ 195.419 Valve capabilities.

(a) *Scope.* The requirements in this section apply to rupture-mitigation valves (RMV), as defined in § 195.2, or alternative equivalent technology, installed pursuant to §§ 195.258 and 195.418. (b) **Rupture identification and valve shut-off time.**

Sinclair's written procedures for conducting operations and maintenance activities were inadequate to provide for safe operation of a pipeline facility in accordance with § 195.402(c)(3). Specifically, Sinclair's Operations and Maintenance Manual, revised July 21, 2021, failed to include the provisions of § 195.419(a)-(h).

Therefore, Sinclair Transportation company must amend its written procedures to include the provisions of § 195.419(a)-(h).

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)

(2)

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

§ 195.420 Valve maintenance.

(a)

(f) Each operator must implement remedial measures as follows to correct any valve installed on an onshore pipeline in accordance with § 195.258(c), or an RMV or alternative equivalent technology installed in accordance with § 195.418, that is indicated to be inoperable or unable to maintain effective shut-off:

(1) Repair or replace the valve as soon as practicable but no later than 12 months after finding that the valve is inoperable or unable to maintain shut-off. An operator may request an extension of the compliance deadline requirements of this section if it can demonstrate to PHMSA, in accordance with the notification procedures in § 195.18, that repairing or replacing a valve within 12 months would be economically, technically, or operationally infeasible; and

(2) Designate an alternative compliant valve within 7 calendar days of the finding while repairs are being made and document an interim response plan to maintain safety. Alternative compliant valves are not required to comply with valve spacing requirements of this part.

Sinclair's written procedures for conducting operations and maintenance activities were inadequate to provide for safe operation of a pipeline facility in accordance with § 195.402(c)(3). Specifically, Sinclair's Operations and Maintenance Manual, revised July 21, 2021, failed to include procedures for repairing or replacing a valve as soon as practicable but no later than 12 months after finding that the valve is inoperable or unable to maintain shut-off, and designate an alternative compliant valve within 7 calendar days of the finding while repairs are being made and document an interim response plan to maintain safety in accordance with § 195.420(f)(1) and (2), respectively.

Therefore, Sinclair must amend its written procedures to include procedures for the remediation of valves in accordance with the requirements of § 195.420(f).

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 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 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 Sinclair Transportation Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Bryan Lethcoe, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2024-055-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

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

cc: Jessica Franklin, Compliance Auditor, Lead, - Pipeline Regulatory,
Jessica.Franklin@HFSinclair.com
Bridgette Taylor, Manager, Pipeline Regulatory - Regulatory Compliance,
bridgette.taylor@hfsinclair.com