



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

8701 S. Gessner, Suite 630
Houston TX 77074

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

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

December 22, 2025

Steven Ledbetter
Executive VP Commercial
HF Sinclair Corporation
2323 Victory Avenue
Suite 1400
Dallas, Texas 75219

CPF 4-2025-031-NOPV

Dear Mr. Ledbetter:

From March 18 through August 30, 2024, of the on-site inspection, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Holly Energy Partners LP's (HEP) hazardous liquid Mountain Home Pipeline System in Dallas, Texas, and Mountain Home, Idaho.¹

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

¹ On December 1, 2023, HEP merged with, and is now a wholly owned subsidiary of, HF Sinclair Corporation, doing business as HF Sinclair Midstream.

1. § 195.54 Accident reports.

(a) Each operator that experiences an accident that is required to be reported under § 195.50 must, as soon as practicable, but not later than 30 days after discovery of the accident, file an accident report on DOT Form 7000-1.

HEP failed to, as soon as practicable, but not later than 30 days after discovery of an accident, file an accident report on DOT Form 7000-1 in accordance with § 195.54(a). Specifically, HEP failed to file an accident report for a release of approximately ten (10) gallons of jet fuel outside of a small building at its Mountain Home pipeline facility that occurred on December 14, 2023.

On December 14, 2023, HEP submitted a National Response Center (NRC) Incident Report (No. 1386675) reporting a release of approximately 10 gallons of jet fuel due to a check valve fitting failure on internal facility piping. In the 48-hour NRC Update Report (No. 1386742), HEP stated that upon further investigation, it identified that the release did not meet reporting criteria in § 195.50.² HEP stated that the release point was from a vent pipe on an additive mix tank inside of a small building in the facility, and that this was not a reportable release because the release point was on the additive mix tank not regulated by PHMSA.

During the on-site inspection, PHMSA inspected the small building within the Mountain Home pipeline facility. The inspector observed that jet fuel is transferred from the breakout tanks at the facility into the additive mix tank and back into the breakout tanks. Under § 195.2, a pipeline system includes all parts of a pipeline facility through which hazardous liquid moves in transportation, including appurtenances connected to breakout tanks. The additive mix tank is an appurtenance of the breakout tank and is regulated by PHMSA, and the release therefore met the reporting criteria in § 195.50.

Therefore, HEP failed to, as soon as practicable, but not later than 30 days after discovery of an accident, file an accident report on DOT Form 7000-1 in accordance with § 195.54. As of October 17, 2025, there is no record in the Pipeline Data Mart database of HEP submitting an accident report for this incident.

2. § 195.507 Recordkeeping.

Each operator shall maintain records that demonstrate compliance with this subpart.

(a)

(b) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

² Section 195.50 requires an accident report for each failure in a pipeline system in which there is a release of hazardous liquid that results in, among others, the release of 5 gallons or more of hazardous liquid, except for a release of less than 5 barrels resulting from pipeline maintenance and the release is not otherwise reportable, is confined to company property or right-of-way, did not result in pollution of a body of water, and was cleaned up properly.

HEP failed to maintain records supporting an individual's current qualifications while the individual was performing the covered task in accordance with § 195.507(b). Specifically, HEP did not maintain records of prior qualification for the individuals performing monthly breakout tank (BOT) inspections for the Mountain Home Pipeline System from 2022 to 2024.

Section 195.501(b) states that a covered task includes an activity, identified by the operator, that is performed on a pipeline facility, is an operations or maintenance task, is performed as a requirement of Part 195, and affects the operation or integrity of the pipeline. *HEP's Operator Qualification Plan For Facilities Subject to DOT Parts 192 and 195* (rev. Nov. 15, 2023) identifies BOT inspections as a covered task. HEP did not provide qualification records for three personnel who performed monthly BOT inspections from 2022-2024.

Therefore, HEP failed to maintain records supporting an individual's current qualifications while the individual was performing the covered task in accordance with § 195.507(b).

3. § 195.5.402 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 ensure 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)

(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.

HEP failed to follow a manual of written procedures for operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of subpart F and subpart H of part 195 in accordance with § 195.402(c)(3). Specifically, HEP failed to follow section 5.4 of its procedure, *Corrosion Control Manual for Hazardous Liquids and Gas Transmission Pipelines* (eff. Apr. 3, 2024). Section 5.4 of HEP's corrosion control procedure requires measures to be taken to prevent metal-to-metal contact when pipe supports are metal. During the inspection, PHMSA discovered that the pipe supports at HEP's Mountain Home Terminal and Mountain Home Airforce Base had metal-to-metal contact between the pipe and metal pipe supports,

showing visible signs of rusting at all locations inspected. HEP had not taken action to prevent metal-to-metal contact at the pipe supports for both the Mountain Home Terminal and Airforce Base.

Therefore, HEP failed to follow a manual of written procedures for operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of subpart F and subpart H of part 195 in accordance with § 195.402(c)(3).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023, and before December 30, 2024, the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023, and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022, and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021, and before March 21, 2022, the maximum penalty may not 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.

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.

Proposed Compliance Order

With respect to Items 1, 2, and 3, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Holly Energy Partners. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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. All material you submit in response to this enforcement action may be 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 4-2025-031-NOPV** 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

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

cc: Eric Kaysen, Vice President, Environmental Health & Safety, HF Sinclair Corporation,
eric.kaysen@hfsinclair.com
Charles Curl, Director, Regulatory Compliance & Operations Excellence, HF Sinclair
Corporation, charles.curl@hfsinclair.com

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Holly Energy Partners, LP, (HEP) a Compliance Order incorporating the following remedial requirements to ensure the compliance of HEP with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to HEP's failure to, as soon as practicable, but not later than 30 days after discovery of an accident, file an accident report on DOT Form 7000-1 in accordance with § 195.54(a), HEP must submit the required accident report on DOT Form 7000-1 to the Director, Southwest Region, within **30** days of receipt of the Final Order.
- B. In regard to Item 2 of the Notice pertaining to HEP's failure to maintain records supporting an individual's current qualifications while the individual was performing the covered task in accordance with § 195.507(b) and its procedures, HEP must provide updated qualifications for personnel currently performing monthly breakout tank inspections to the Director, Southwest Region, within **30** days of receipt of the Final Order.
- C. In regard to Item 3 of the Notice pertaining to HEP's failure to follow a manual of written procedures for operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of subpart F and subpart H of part 195 in accordance with § 195.402(c)(3) and its procedures, HEP must take measures to prevent metal-to-metal contact at pipe/pipe support interfaces in accordance with its corrosion control procedures. HEP must provide records showing the condition of the pipe at pipe supports, and all remediation records correcting identified deficiencies, to the Director, Southwest Region, within **90** days of receipt of the Final Order.
- D. It is requested (not mandated) that HEP maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, 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.