



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: fred.hampton@valero.com

February 11, 2026

Fred E. Hampton
Vice President, Pipeline & Terminals
Valero Terminals and Distribution Company
One Valero Way,
San Antonio, TX 78249

CPF 4-2026-004-NOPV

Dear Mr. Hampton:

From February 24 through June 30, 2025, a representative 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 the procedures and facilities of Valero Partners Operating Co. LLC and Valero Terminals and Distribution Company (Valero) in Arkansas, Mississippi, San Antonio, Texas and Memphis, Tennessee.

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

1. **§ 195.428 Overpressure safety devices and overfill protection systems.**
 - (a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Valero failed to, at intervals not exceeding 15 months, but at least once each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used in accordance with § 195.428(a). Specifically, Valero has failed to properly inspect and test the thermal relief devices on Tanks 813 and 816 at its West Memphis facility since 2022.

Relief Valve Inspection Reports from Nov. 29, 2022 and Nov. 27, 2023 show the thermal relief devices on Tanks 813 and 816 as set to 150 psig. On Nov. 29, 2022 the valves were tested at 81 and 91 psig, respectively. On Nov. 27, 2023 the valves were tested to 95 and 90 psig, respectively. The differentials between the set points and testing points indicate that the valves were not properly tested.

A separate inspection report from Nov. 30, 2023 lists the setting for the thermal relief device on Tank 813 as 60 psig and states that it was tested to 80 psig. On Nov. 11, 2024, the device was listed as set to 60 psig and was tested to 70 psig. Similarly, an inspection report from Nov. 11, 2024 lists the setting for the thermal relief device on Tank 816 as 55 psig and states that it was tested to 83 psig. Changes to the set point were not documented by any management of change record, the test points differ from the settings considerably, and there are no records indicating why either device was tested to a higher psig than its setting.

Testing substantially below the established set pressure does not verify that the valve will open at its required activation pressure and therefore fails to confirm proper overpressure protection. Conversely, if a valve were to open above its set point, it could allow the tank to exceed its maximum allowable working pressure before relieving. In either case, a significant differential between the set pressure and the actual lift (test) pressure is problematic because it demonstrates that the valve's performance is not aligned with its design set point, undermining confidence that the tank is adequately protected against overpressure conditions.

Therefore, Valero failed to, at intervals not exceeding 15 months, but at least once each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used in accordance with § 195.428(a).

Proposed Compliance Order

With respect to Item 1, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Valero. 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 4-2026-004-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: Darin Banther, Manager Regulatory Compliance, Valero Terminals and Distribution Company, darin.banther@valero.com

PROPOSED COMPLIANCE ORDER

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

- A. In regard to Item 1 of the Notice pertaining to Valero's failure to properly inspect and test the thermal relief devices on Tanks 813 and 816, Valero Partners must perform the following:
 - a. Review the set points for the thermal relief devices on Tanks 813 and 816 and ensure they are correctly calibrated within **30** days of receipt of the Final Order.
 - b. Review thermal relief device settings and required testing points with personnel at its West Memphis and ensure that personnel have access to required records showing the set points within **30** days of receipt of the Final Order.
 - c. Review the personnel qualifications for personnel performing inspections of the thermal relief devices at its West Memphis facility and determine if they require retraining within **30** days of receipt of the Final Order.

- D. It is requested (not mandated) that Valero 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.