



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 1, 2016

Mr. David Dehaemer
CEO
Tallgrass Pony Express Pipeline, LLC.
4200 W. 115th Street, Suite 350
Leawood, KS 66211

Revised CPF 5-2016-5008W

Dear Mr. Rafter:

On February 22 - 25, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Pony Express Pipeline (PXP) in Goshen County, Wyoming.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
(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.
(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

During remediation of anomaly #G38780, two (2) carrier sleeves were used to install a Type B sleeve over an anomaly in an area containing a girth weld. The repair procedure (O&M 402/C1062 Welding Procedure) Section 3.16 Multiple Repair Sleeve Installation references a sketch on page 15 of 19, showing the sleeves and doubler plate, with a maximum gap (the linear

width of the annular space over the girth weld between the line pipe and the doubler plate) between the carrier-sleeves specified as 3 inches. The anomaly repair observed in the field covered a total length of 2.29 feet. The gap far exceeded the maximum specified gap in the sketch mentioned above, probably by approximately 18", meaning that the operator's repair procedure was not followed. From discussions with Tallgrass personnel concerning this issue, it became apparent that there may have been at least two (2) versions of this repair procedure extant, yet there has been no internal resolution of the discrepancy between these versions of the procedure regarding the maximum specified gap.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. 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 correct the item(s) identified in this letter. Failure to do so will result in Tallgrass Pony Express Pipeline, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2016-5008W**. 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).

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Stahoviak (#152511)