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

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

NOTICE OF AMENDMENT

VIA E-MAIL TO MR. JOSEPH ISRAEL

December 30, 2020

Mr. Joseph Israel
President & CEO
Par Pacific LLC
Par Pacific Holdings, Inc.
825 Town & Country Lane, Suite 1500
Houston, TX 77024

CPF 5-2020-6002M

Dear Mr. Israel:

During the weeks of January 14 through 25, March 18 through 22, July 29 through August 2, September 16 through 20, and December 9 through 12, 2019, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Ellsjet Terminal and Wyoming Crude Pipeline's procedures for Operations and Maintenance, Emergency Response, Integrity Management, Time Dependent Threats, Damage Prevention, and Public Awareness. Ellsjet and Wyoming Crude Pipeline are subsidiaries of Par Pacific Holdings, Inc. (collectively, "Par Pacific") and use the same set of written procedures.

Based on the inspection, PHMSA has identified the apparent inadequacies/deficiencies found within your plans or procedures, as 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) Making construction records, maps, and operating history available as necessary for safe operation and maintenance.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific does not have a procedure that requires applicable construction records to be maintained for the life of each pipeline pursuant to § 195.266. Par Pacific's procedure for pipeline repair contains applicable records and retention, but this does not apply to construction. Par Pacific must develop a written procedure to address this deficiency.

In addition to construction records, Par Pacific does not have a process in place for making maps and operating history available as necessary for safe operation and maintenance. Par Pacific must develop a procedure to address this deficiency.

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) Making construction records, maps, and operating history available as necessary for safe operation and maintenance.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. While Par Pacific has a procedure to pressure test line pipe, a procedure for pressure testing aboveground breakout tanks pursuant to §195.307(c) is not developed and/or documented, including the requirement to maintain these records.[1] Par Pacific must develop a written procedure to address this deficiency.

3. § 195.202 Compliance with specifications or standards.

Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

[1] *See* 49 C.F.R. § 195.310 (requiring operators maintain pressure test records).

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific failed to have a procedure that requires personnel, who perform or will perform inspections to ensure pipe or pipeline systems are installed in accordance with the requirements of Subpart D of Part 195, are required to be trained and qualified in the phase of construction inspected or to be inspected, pursuant to §195.204. Par Pacific must develop a written procedure to address this deficiency.

4. §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.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific does not have written procedures in place for the Management of Change (MOC) process, when it makes changes as necessary to ensure its manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies is effective as required by § 195.402(a). Par Pacific must develop a written procedure to address MOC.

5. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .
(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) Responding to, investigating, and correcting the cause of:
(i) Unintended closure of valves or shutdowns;
(ii) Increase or decrease in pressure or flow rate outside normal operating limits;
(iii) Loss of communications;
(iv) Operation of any safety device;
(v) Any other malfunction of a component, deviation from normal operation, or personnel error which could cause a hazard to persons or property.
(2) Checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation.

(3) Correcting variations from normal operation of pressure and flow equipment and controls.
(4) Notifying responsible operator personnel when notice of an abnormal operation is received.
(5) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific does not have a written procedure detailing how they will respond to, investigate, and correct the cause(s) of any of the scenarios listed in § 195.402(d)(1)(i)-(v). Although Par Pacific has a form for documenting abnormal operations (Abnormal Operating Event – no form number, date, or revision number), it does not have written procedures describing the process the company uses for responding to an abnormal event.

Further, Par Pacific does not have written procedures for checking variations from normal operation after abnormal operations have ended at sufficient locations in the system to determine continued integrity and safe operation. Par Pacific must develop a procedure to address this deficiency.

Par Pacific also does not have written procedures for correcting variations from normal operation of pressure and flow equipment and controls. Par Pacific must develop a procedure to address this deficiency.

Finally, Par Pacific does not have written procedures for periodically reviewing the response of operating personnel to determine the effectiveness of the procedures for controlling abnormal operation and taking corrective action where deficiencies are found. Par Pacific must develop a procedure to address this deficiency.

6. §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.

§195.405 Protection against ignitions and safe access/egress involving floating roofs.

(a) After October 2, 2000, protection provided against ignitions arising out of static electricity, lightning, and stray currents during operation and maintenance activities involving aboveground breakout tanks must be in accordance with API RP 2003 (incorporated by reference, *see* § 195.3), unless the operator notes in the

procedural manual (§ 195.402(c)) why compliance with all or certain provisions of API RP 2003 is not necessary for the safety of a particular breakout tank.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written procedures do not contain a reference to ignitions arising out of static electricity, lightning, and stray currents during operation and maintenance activities of aboveground breakout tanks pursuant to API RP 2003, nor does its procedural manual (if applicable) explain why compliance is not necessary for the safety of particular tanks, pursuant to the requirements set forth in §195.405(a). Par Pacific must develop a procedure to address this deficiency.

7. §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.

§195.405 Protection against ignitions and safe access/egress involving floating roofs.

(a) …
(b) The hazards associated with access/egress onto floating roofs of in-service aboveground breakout tanks to perform inspection, service, maintenance, or repair activities (other than specified general considerations, specified routine tasks or entering tanks removed from service for cleaning) are addressed in API Pub 2026 (incorporated by reference, *see* §195.3). After October 2, 2000, the operator must review and consider the potentially hazardous conditions, safety practices, and procedures in API Pub 2026 for inclusion in the procedure manual (§195.402(c))

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific does not have a written procedure associated with safety practices in API Publication 2026, despite having numerous in-service aboveground breakout tanks with floating roofs. Par Pacific must develop a procedure to address this deficiency, or explain to PHMSA how it reviewed and considered these procedures, and determined not to include them in its procedural manual.

8. §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.

§195.408 Communications.

(a) Each operator must have a communication system to provide for the transmission of information needed for the safe operation of its pipeline system.
(b) The communication system required by paragraph (a) of this section must, as a minimum, include means for:
(1) Monitoring operational data as required by §195.402(c)(9);
(2) Receiving notices from operator personnel, the public, and public authorities of abnormal or emergency conditions and sending this information to appropriate personnel or government agencies for corrective action;
(3) Conducting two-way vocal communication between a control center and the scene of abnormal operations and emergencies; and
(4) Providing communication with fire, police, and other appropriate public officials during emergency conditions, including a natural disaster.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific does not have a written procedure that addresses communication requirements set forth in § 195.408. Par Pacific must develop a procedure to address communication systems to provide for the transmission of information needed for the safe operation of its pipeline system, including all the requirements set forth in § 195.408(b).

9. §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.

§195.412 Inspection of rights-of-way and crossings under navigable waters.

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's procedures for inspection of rights-of-way state that follow-up activities associated with reportable observances shall be documented on Form LFM033-01. However, there is no reference or area on the form to document these required follow-ups.

Additionally, the form dated August 27, 2017 indicates it to be Revision #1 but the revision log shows that Revision #2 was performed in 2013. Par Pacific must revise this procedure and form to ensure that the written procedures are accurately and effectively documented and followed on the corresponding form. Furthermore, if this is a corporate procedure that applies to all Par Pacific assets, the procedure should have ownership to prevent field changes without appropriate review and approval.

10. §195.440 Public awareness.

(a) …
(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written Public Awareness Program does not follow the general program recommendations of API RP 1162, nor does the company provide justification why compliance is not practicable and necessary for safety. Specifically, Par Pacific's program fails to address the pre-test effectiveness of materials and the sample size appropriate to draw general conclusions as recommended in API RP 1162. Par Pacific must develop procedures for these subject areas in its public awareness program.

11. §195.442 Damage prevention program.

(a) . . . .
(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:
(1) Include the identity, on a current basis, of persons who normally engage in excavation activities in the area in which the pipeline is located.
(3) Provide a means of receiving and recording notification of planned excavation activities.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written damage prevention program does not address how reports of third-party activity and the names of associated excavators are input into the mail-outs and communications with excavators near their system. Furthermore, the procedure does not specify how reports of third-party damage are checked against one call tickets in the event of damage during excavation activities. Par Pacific must develop a procedure to address these deficiencies.

12. §195.452 Pipeline integrity management in high consequence areas.

(a) . . . .
(b) *What program and practices must operators use to manage pipeline integrity?*
Each operator of a pipeline covered by this section must:

(1) Develop a written integrity management program that addresses the risks on each segment of pipeline in the first column of the following table no later than the date in the second column:

Pipeline	Date
Category 1	March 31, 2002.
Category 2	February 18, 2003.
Category 3	1 year after the date the pipeline begins operation.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written Integrity Management program does not include procedures for determining risk factors for establishing an assessment schedule that prioritizes segments for assessment pursuant to § 195.452(e) and (j). Par Pacific must develop a process that includes all risk factors that reflect the risk conditions on each pipeline segment and must consider at a minimum all the factors set forth in §195.452(e)(1)(i)-(ix).

13. §195.452 Pipeline integrity management in high consequence areas.

(a) . . . .
(f) *What are the elements of an integrity management program?* An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:
(1) A process for identifying which pipeline segments could affect a high consequence area;
. . .
(3) An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure (*see* paragraph (g) of this section);
(5) A continual process of assessment and evaluation to maintain a pipeline's integrity (*see* paragraph (j) of this section);
(6) Identification of preventive and mitigative measures to protect the high consequence area (*see* paragraph (i) of this section);

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written Integrity Management program did not provide the technical justification behind the quarter mile buffer zone in the IMP plan and the half mile buffer used in the HCA identification.[2] Par Pacific's procedure states that breakout tanks are calculated using

[2] *See* 49 C.F.R. § 195.452(l)(2) (requiring operators to maintain, for the useful life of the pipeline, "documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section").

worst-case tank release volume but no other type of facility is listed. Par Pacific must develop written procedures in its IMP to determine the worst-case volume of commodity releases for the entire pipeline system.

Further, Par Pacific does not have written integrity management plan procedures that specifically address facilities. Par Pacific must develop specific IM procedures for all of its facilities in HCAs or HCA could-affect areas pursuant to the requirements set forth in § 195.452(f).[3]

14. §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.

§195.555 What are the qualifications for supervisors?

You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under §195.402(c)(3) for which they are responsible for insuring compliance.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written procedures for operating, maintaining, and repairing the pipeline system in accordance with subpart H *Corrosion Control* do not sufficiently address the requirements of § 195.555. Par Pacific's written procedures do not offer adequate detail on what it means to have a thorough knowledge of the portion of the corrosion control procedures for which its supervisors are responsible for ensuring compliance, nor do they contain a method to verify the required knowledge.[4] Par Pacific must develop written procedures that offer sufficient detail on what it means to have a thorough knowledge of the corrosion control procedures for which supervisors are responsible, as well as a method to verify the required knowledge.

15. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

[3] *See* 49 C.F.R. §§ 195.452(a) (noting that integrity management regulations apply to each hazardous liquid pipeline and carbon dioxide pipeline that could affect a high consequence area, including any pipeline located in a high consequence area…) and 195.2 (defining the term "pipeline" as "all parts of a pipeline facility through which a hazardous liquid or carbon dioxide moves in transportation, including but not limited to line pipe, valves, and other appurtenances connected to line pipe, pumping units, fabricated assemblies associated with pumping units, metering and delivery stations and fabricated assemblies therein, and breakout tanks").

[4] *See* 49 C.F.R. §§ 195.589(c) (requiring operators maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by subpart H in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist).

(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) *Protected pipelines.* You must do the following to determine whether cathodic protection required by this subpart complies with §195.571:
(1) . . .
(2) Identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169 (incorporated by reference, see §195.3).

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written procedures for operating, maintaining, and repairing the pipeline system in accordance with subpart H *Corrosion Control* do not sufficiently address the requirements of § 195.573(a)(2). Par Pacific does not have criteria for when a close-interval survey will be conducted to accomplish the objectives of NACE SP 0169 Paragraph 10.1.1.3. Par Pacific must develop criteria in its written procedures to determine the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of NACE SP 0169 Paragraph 10.1.1.3.

16. §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) . . .
(e) *Corrective action.* You must correct any identified deficiency in corrosion control as required by §195.401(b). However, if the deficiency involves a pipeline in an integrity management program under §195.452, you must correct the deficiency as required by §195.452(h).

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written procedures for operating, maintaining, and repairing the pipeline system in accordance with subpart H *Corrosion Control* do not sufficiently address the requirements of § 195.573(e). Par Pacific's corrosion control procedure for breakout tanks does not require correction of deficiencies within the appropriate timeframes applicable under §§ 195.401(b) or 195.452(h). Further, Par Pacific's corrosion control procedures do not address correcting deficiencies on corrosion control equipment. Par Pacific must amend its corrosion control procedures to address the deficiencies noted above.

17. §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.

§195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?

(a) . . .
(e) If a pipeline is in close proximity to electrical transmission tower footings, ground cables, or counterpoise, or in other areas where it is reasonable to foresee fault currents or an unusual risk of lightning, you must protect the pipeline against damage from fault currents or lightning and take protective measures at insulating devices.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written procedures for operating, maintaining, and repairing the pipeline system in accordance with subpart H *Corrosion Control* do not sufficiently address the requirements of § 195.575(e). Par Pacific's procedure states that facilities will be protected from fault currents and lightning but does not state how it protects its pipelines.[5] Par Pacific must develop written procedures explaining what protective measures the company will take to protect

[5] *See* 49 C.F.R. §§ 195.589(c) (requiring operators maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by subpart H in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist).

pipelines in close proximity to electrical transmission tower footings, ground cables or counterpoise, or in other areas where it is reasonable to foresee fault currents or an unusual risk of lightening, from these dangers.

18. §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.

§195.579 What must I do to mitigate internal corrosion?

(a) . . .
(d) *Breakout Tanks.* After October 2, 2000, when you install a tank bottom lining in an aboveground breakout tank built to API Spec 12F (incorporated by reference, *see* §195.3), API Std 620 (incorporated by reference, *see* §195.3), API Std 650 (incorporated by reference, see §195.3), or API Std 650's predecessor, Standard 12C, you must install the lining in accordance with API RP 652 (incorporated by reference, *see* §195.3). However, you don't need to comply with API RP 652 when installing any tank for which you note in the corrosion control procedures established under §195.402(c)(3) why compliance with all or certain provisions of API RP 652 is not necessary for the safety of the tank.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written procedures for operating, maintaining, and repairing the pipeline system in accordance with subpart H *Corrosion Control* do not sufficiently address the requirements of § 195.579(d). Par Pacific's procedure LOM022 Breakout Tanks (1/19/2017, Rev. 3) fails to require that tank bottom linings built to API Spec 12F, API Std 620, API Std 650 or its predecessor, Standard 12C, be installed in accordance with API RP 652, or why compliance with all or certain provisions of API RP 652 is not necessary for the safety of the tank. Par Pacific must develop a written procedure to address the requirements of § 195.579(d) or demonstrate why compliance is not necessary for the safety of the tank.

19. §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.

§195.587 What methods are available to determine the strength of corroded pipe?

Under §195.585, you may use the procedure in ASME/ANSI B31G (incorporated by reference, *see* §195.3) or in PRCI PR-3-805 (R-STRENG) (incorporated by reference, *see* §195.3) to determine the strength of corroded pipe based on actual remaining wall thickness. These procedures apply to corroded regions that do not penetrate the pipe wall, subject to the limitations set out in the respective procedures.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written procedures for operating, maintaining, and repairing the pipeline system in accordance with subpart H *Corrosion Control* do not sufficiently address the requirements of § 195.587. Par Pacific's written procedures do not provide sufficient information and direction on measuring and documenting the actual remaining wall thickness to determine the strength of corroded pipe. Par Pacific must develop procedures to address this deficiency.

20. §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.

§195.591 In-Line inspection of pipelines.

When conducting in-line inspection of pipelines required by this part, each operator must comply with the requirements and recommendations of API Std 1163, *Inline Inspection Systems Qualification Standard*; ANSI/ASNT ILI-PQ, *Inline Inspection Personnel Qualification and Certification*; and NACE SP0102-2010, *Inline Inspection of Pipelines* (incorporated by reference, *see* §195.3). An in-line inspection may also be conducted using tethered or remote control tools provided they generally comply with those sections of NACE SP0102-2010 that are applicable.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's written procedures for operating, maintaining, and repairing the pipeline system in accordance with subpart H *Corrosion Control* do not sufficiently address the requirements of § 195.591. Par Pacific's procedures fail to address acceptance criteria, as required in NACE SP0102-2010 Section 5.1.5 *Survey-acceptance criteria*, for a successful ILI run. Par Pacific must modify its written procedures to address this deficiency.

21. §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) . . . .
(14) Taking adequate precautions in excavated trenches to protect personnel from the hazards of unsafe accumulations of vapor or gas, and making available when needed at the excavation, emergency rescue equipment, including a breathing apparatus and, a rescue harness and line.

§195.422 Pipeline Repairs

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.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific does not have a procedure which ensures that pipeline maintenance construction, repairs, and testing activities are made in a safe manner pursuant to the requirements set forth in §§ 195.402(c)(14) and 195.422. Par Pacific must develop a written procedure to address this deficiency.

22. §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.

§195.432 Inspection of in-service breakout tanks.

(a) . . .
(b) Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 (except section 6.4.3, *Alternative Internal Inspection Interval*) (incorporated by reference, *see* §195.3). However, if structural conditions prevent access to the tank bottom, its integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3). The risk-based internal inspection procedures in API Std 653, section 6.4.3 cannot be used to determine the internal inspection interval.

Par Pacific does not have adequate procedures to assure safe operation of a pipeline facility. Specifically, Par Pacific's procedure, LOM022 Breakout Tanks (1/19/2017, Rev. 3), states that external inspections will be performed at intervals stated in API Std 653, Section 6.3.2; however, the procedure fails to describe the process for determining which interval will be used. Since the inspection interval must be conducted at least every 5 years or *RCA*/4*N* years (where *RCA* is the difference between the measured shell thickness and the minimum required thickness in mils, and *N* is the shell corrosion rate in mils per year) whichever is less, the procedure should describe how the operator will determine the interval.

Further, Par Pacific's procedure, LOM022 Breakout Tanks (1/19/2017, Rev. 3), fails to require external, ultrasonic thickness inspections, and the required inspection intervals.

Par Pacific's procedure, LOM022 Breakout Tanks (1/19/2017, Rev. 3), also fails to require formal internal inspections of steel atmospheric or low pressure breakout tanks be done at a maximum interval of 20 years. The process/procedure paraphrases the requirements in API 653, rather than having a detailed procedure how to determine minimum bottom plate thickness, and ensuring the thickness is not less than the values indicated in API 653. Par Pacific must develop written procedures to address these deficiencies.

23. §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) Making construction records, maps, and operating history available as necessary for safe operation and maintenance.

Par Pacific does not have a procedure for the design and construction of aboveground breakout tanks, pursuant to §195.132(a) and (b)(3), including making these records available as necessary for safe operation and maintenance. Par Pacific must develop a written procedure to address this deficiency.

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 Par Pacific maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2020-6002M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

DUSTIN B HUBBARD Digitally signed by DUSTIN B HUBBARD
Date: 2020.12.30 11:00:03 -07'00'

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 D. Fehling (#163167)
M. Ellman, Par Pacific (Wyoming Pipeline)