



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

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

WARNING LETTER

VIA ELECTRONIC MAIL TO: MR. CHET GREENE

December 19, 2023

Mr. Chet Greene
VP Pipeline & Terminals
Par Pacific Holdings / Ellsjet Terminal
825 Town & Country Lane, Suite 1500
Houston, TX 77024

CPF 5-2023-062-WL

Dear Mr. Greene:

From August 14, 2023, to August 16, 2023, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Ellsjet Terminal (Ellsjet), specifically the pipeline section from Ellsjet to Ellsworth Air Force Base located in Rapid City, South Dakota. Ellsjet Terminal is a subsidiary of Par Pacific Holdings.

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 (CFR). The item inspected and the probable violation is:

1. **§194.107 General response plan requirements.**
 - (a)
 - (c) Each response plan must include:

(1) A core plan consisting of –

(i)

(ix) Drill program—an operator will satisfy the requirement for a drill program by following the National Preparedness for Response Exercise Program (PREP) guidelines. An operator choosing not to follow PREP guidelines must have a drill program that is equivalent to PREP. The operator must describe the drill program in the response plan and OPS will determine if the program is equivalent to PREP.

Ellsjet failed to satisfy the requirement for a drill program as they did not follow National Preparedness for Response Exercise Program (PREP) guidelines or an equivalent program. Specifically, Ellsjet failed to perform a tabletop drill or equipment deployment per the PREP guidelines. During the records inspection, Ellsjet supervisors were unable to provide a record of tabletop drills or equipment deployment for 1/2020-8/2023 for the Ellsjet Terminal Facility Response Plan.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to 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 \$2,391,142 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. For violation occurring on or after November 27, 2018, and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015, and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

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 identified in this letter. Failure to do so will result in Ellsjet 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 5-2023-062-WL**. 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,

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

cc: PHP-60 Compliance Registry
PHP-500 L. Green, J. Luo (#23-264927)
Maureen Burns – Northwest Programs Supervisor (MBurns@parpacific.com)
Sara Peterson – Pipeline Logistics Supervisor (speterson@parpacific.com)