

TRANSMONTAIGNE OPERATING COMPANY L.P.



December 16, 2024

Mr. Dustin B. Hubbard, Director
Western Region
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration (PHMSA)
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: TransMontaigne Operating Company L.P., as Operator of the SeaPort Midstream Partners, LLC
terminal facility in Portland, Oregon
CPF 5-2024-040-NOPV

Dear Mr. Hubbard:

I am writing to address the Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (NOPV) that was received by SeaPort Midstream Partners, LLC ("SeaPort") from your office on November 18, 2024. TransMontaigne Operating Company L.P. ("TransMontaigne") serves as the operator of such facility for and on behalf of SeaPort. The notice alleges two probable violations from the inspection of Seaport that was conducted over a span of three days: from September 24 to September 26, 2024.

With Respect to Item 1,

1. § 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.

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Enclosed as Exhibit A to this response letter, you will find the detailed external inspection report for Tank 1, which was completed on October 4, 2024, as well as the inspection report for Tank 10, finalized on October 3, 2024. These reports provide an executive summary and comprehensive overview of the maintenance measures taken to ensure compliance with safety regulations. TransMontaigne will utilize computer management software with escalated level of notifications to schedule and track all future inspections to prevent reoccurrence of the aforementioned violations.

With respect to Item 2,

§ 195.589 What corrosion control information do I have to maintain?

(c) ...

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to Secs. 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

The tanks in question—specifically Tanks 3, 4, 5, and 8—were previously owned and operated by BP before being acquired by SeaPort in 2017. These tanks underwent significant repairs and alterations between 1988 and 1992, which included the installation of a 4-inch Fiber-Fill concrete pad, an 80 mil High-Density Polyethylene (HDPE) liner for durability and containment, a sand pad for stability, and a sealed ring wall to enhance containment capabilities.

In response to the review prompted by the receipt of the NOPV, TransMontaigne conducted a review of its records and concluded the necessary analyses, checks, demonstrations, examinations, inspections, investigations, reviews, surveys, and tests outlined in Subpart H were not required based on the construction of the bottom design and installation of the "El Segundo" style tank bottom(s). According to API RP 651, "A properly designed concrete tank pad constructed on stable, properly prepared subsoil may be effective in eliminating the intrusion of groundwater, soil-side corrosion, and the need for cathodic protection." The tank features a concrete bottom, secondary containment, and a leak detection system integrated into the tank foundation. Therefore, we respectfully request a review of the preliminary findings and request modification to the NOPV and Proposed Compliance Order.

See Exhibit B Portland Terminal Tank Details. Please let us know if you need any additional information.

TransMontaigne Operating Company L.P. is committed to operating our terminal and pipelines systems safely and in compliance with all applicable regulations.

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Should you have any questions or require further information regarding the enclosed inspection reports or our operational practices, please do not hesitate to reach out to Luis DeLeon, PHMSA Compliance Specialist, at 956-554-4029.

Sincerely,



Edward Luebke
Senior Vice President
TransMontaigne Operating Company

cc: Shawn Mongold, Executive Vice President, Chief Operating Officer
Edward Luebke, Senior Vice President
Michael Hammell, Senior Vice President, Legal
Karl Bernard, Vice President
Gary Delafosse, Director of Operations

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