

LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 22, 2000

L. Leroy Anderson, Vice President
Kaneb Pipe Line Company
7340 West 21st St. N., Suite 200
Wichita, Kansas 67205

CPF NO. 5-2000-5017C

Dear Mr. Anderson:

On July 24, 2000, a representative of the Western Region, Office of Pipeline Safety, inspected Kaneb's diesel pipeline facilities from Sinclair, Wyoming to Rawlins, Wyoming.

It was noted that the mainline valve at the west end of the pipeline in Rawlins, Wyoming was not locked at the time of inspection. This valve is on railroad property, and the sole purpose of the pipeline is to supply the railroad with fuel. However, the site is not secured, and the valve should be locked. All above ground piping in the area was freshly painted. Kaneb personnel believe the painting contractor removed the lock and chain to properly apply protective coating. Kaneb personnel secured the valve with a lock and chain.

Your quick and appropriate response to this safety issue is commendable.

Sincerely,

Chris Hoidal
Director, Western Region