

WARNING LETTER

May 31, 2000

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**Mr. Anthony Tucker
Vice President
Stolthaven Perth Amboy, Inc.
920 State St., Post Office Box 590
Perth Amboy, NJ 08862**

CPF No. 1-2000-6002W

Dear Mr. Tucker:

On March 1-2, 2000, a representative of the Eastern Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an on-site inspection of your facility in Woodbridge Twp., New Jersey.

As a result of the inspection, it appears that you have committed probable violations as noted below of pipeline safety regulations Title 49, Code of Federal Regulations, Part 195.

The items inspected and the probable violations are:

- 1. Section 195.416 External corrosion control:**
 - (e) Whenever any buried pipe is exposed for any reason, the operator shall examine the pipe for evidence of external corrosion. If the operator finds that there is active corrosion, that the surface of the pipe is generally pitted, or that corrosion has caused a leak, it shall investigate further to determine the extent of the corrosion.**

Your manuals have no written procedures for the above stated code requirement. There were also no records or documentation to substantiate any examination of exposed buried pipe.

- (i) Each operator shall clean, coat with material suitable for the prevention of atmospheric corrosion, and, maintain this protection for, each component in its pipeline system that is exposed to the atmosphere.**

The coating is disbonded/damaged at the following three locations: at the south side of Eastman where the pipe re-enters the ground the coating is damaged and it appears that there is significant corrosion in the area where the earth is in contact with the pipe; at Bridgeview n/o Buckeye at several locations on the pipe above ground there is no insulating material between the pipe and its support, corrosion is beginning to appear; and at the Warehouse building at Bridgeview, the pipe coating is separating from the pipe at various locations above ground where the pipe runs parallel to the building.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violations persist up to a maximum of \$500,000 for any related series of violations.

We have reviewed the circumstances and supporting documents involved in this case and have decided not to assess you a civil penalty. We advise you however, that should you not correct the circumstances leading to the violations, we will take enforcement action when and if the continued violations come to our attention.

You will not hear from us again with regard to the noted inspection and our subsequent action. Because of the good faith that you have exhibited up to this time, we expect that you will act to bring your pipeline into compliance with pipeline safety regulations.

Should you have any question regarding this inspection or any other pipeline safety regulatory issues, please do not hesitate to contact John Firely in our New Jersey office at (609) 989-2179, or the Eastern Region Office in Washington, DC at (202) 366-4580.

Sincerely,

**William H. Gute
Director, Eastern Region
Office of Pipeline Safety**

JFIRELY/sj/DPS-24/(609) 989-2179/5/31/00
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cc: DPS-22.1, DPS-24, NJDO, MEDO, PIDO, Regions
Electronic copy to Catrina Pavlik