

**LETTER OF CONCERN**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

June 23, 1998

Mr. Leon Hutchens  
President  
Kaneb Pipeline Company  
100 North Broadway  
Suite 550  
Wichita, Kansas 67202

**CPF NO. 58519C**

Dear Mr. Hutchens:

On May 29, 1998, a representative of the Western Region, Office of Pipeline Safety, was notified of a gasoline release that occurred on your pipeline near Franktown, Colorado. During the investigation of this release, information was forwarded to my staff indicating that the probable cause of the release was third party damage. The damage that had occurred to the pipeline approximately twenty years ago when a telephone cable was buried above the pipeline. Further information states that you had contacted the telephone company and obtained records and maps of the telephone line installation, having discovered that they not only crossed your line in the area of the release, but at up to seven other areas as well.

My office has received many questions and comments from the public concerning this release. These concerned citizens have asked what we are doing to ensure the integrity of your pipeline system. While we explain the basic overall picture of how we perform inspections and look at records, the citizens have requested specifics concerning Kaneb's actions following this release.

Due to the concerns of these citizens, please forward a letter to my office detailing the steps Kaneb has taken and is planning on taking since this release to ensure the integrity of your pipeline system. Also, once Kaneb has completed the analysis of the accident and decided of how to reduce the possibility recurrence of the hazards identified during the analysis, please

forward a complete copy of your investigation to my office for review. Further, I understand that you will be sending the failed pipe section to a metallurgical laboratory in Houston, Texas for examination to determine the actual mechanism of the failed pipe. Once you receive the laboratory report, please forward a complete copy to my office as well.

Sincerely,

Edward J. Ondak  
Director

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