



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 21, 2007

Mr. Mark Cunningham
Vice President, Operations
Holly Energy Partners, L.P.
100 Crescent Court, Suite 1600
Dallas, Texas 75201-6927

CPF 4-2007-5052M

Dear Mr. Cunningham:

On October 17-18, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Holly Energy Partners, L.P (Holly) Operator Qualification (OQ) Plan in Artesia, New Mexico.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Holly's plans or procedures, as described below:

1. §195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

Holly's OQ plan needs requirements to:

- Describe the use of ISNetworld as it pertains to contractor personnel and what qualification methods will be accepted. i.e NCCER, OQSG, industry certifications.
- Document what industry certifications are accepted as qualifications for employee personnel.

- Address what passing scores for written assessments and/or performance evaluations are required to be qualified for both employee and contractor individuals.

2. §195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(d) Evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an accident as defined in Part 195;

Holly's OQ Plan needs to ensure that an individual whose actions while performing a covered task may have contributed to an incident shall be re-evaluated or suspended from performing the covered task while the investigation is being conducted.

3. §195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(f) Communicate changes that affect covered tasks to individuals performing those covered tasks;

Holly's OQ plan needs requirements to:

- Document how AOC's that could reasonably be anticipated during during performance of covered task are identified and included in evaluations.
- Specify how contractors will be notified of changes to covered tasks which will require additional training and/or re-qualification.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 4-2007-5052M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*