



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

November 26, 2007

Mr. Todd Denton
VP Operations
NuStar Energy L.P.
PO Box 781609
San Antonio, TX 78278

CPF No. 4-2007-5042M

Dear Mr. Denton:

On July 16-20, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code inspected your procedures for operations and maintenance in San Antonio, TX.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within NuStar Energy L.P.'s procedures and are described below:

1. **§ 195.226 Welding: Arc burns. (c) A ground may not be welded to the pipe or fitting that is being welded.**

NuStar Energy L.P.'s procedures need to state that a ground may not be welded to the pipe or fitting that is being welded.

2. **§195.230 Welds: Repair or removal of defects.
(c) Repair of a crack, or of any defect in a previously repaired area must be in accordance with written weld repair procedures that have been qualified under §195.214. Repair procedures must provide that the minimum mechanical properties specified for the welding procedure used to make the original weld are met upon completion of the final weld repair.**

NuStar Energy L.P.'s procedures need to clearly state the requirements for the repairing of a crack, or any defect in a previously repaired area.

3. **§195.234 Welds: Nondestructive testing.**
(d) During construction, at least 10 percent of the girth welds made by each welder during each welding day must be nondestructively tested over the entire circumference of the weld.
(e) All girth welds installed each day in the following locations must be nondestructively tested over their entire circumference, except that when nondestructive testing is impracticable for a girth weld, it need not be tested if the number of girth welds for which testing is impracticable does not exceed 10 percent of the girth welds installed that day:
(1) At any onshore location where a loss of hazardous liquid could reasonably be expected to pollute any stream, river, lake, reservoir, or other body of water, and any offshore area; (2) Within railroad or public road rights-of-way;
(3) At overhead road crossings and within tunnels;
(4) Within the limits of any incorporated subdivision of a State government; and,
(5) Within populated areas, including, but not limited to, residential subdivisions, shopping centers, schools, designated commercial areas, industrial facilities, public institutions, and places of public assembly.
(f) When installing used pipe, 100 percent of the old girth welds must be nondestructively tested.

NuStar Energy L.P.'s procedures need to clearly state its nondestructively testing (NDT) requirements.

4. **§195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required? Procedures for shorted casings.**

NuStar Energy L.P.'s procedures need to state clearly the requirements for inspecting and testing for shorted casing.

5. **§195.577 What must I do to alleviate interference currents? (b) You must design and install each impressed current or galvanic anode system to minimize any adverse effects on existing adjacent metallic structures.**

NuStar Energy L.P.'s procedures need to state that they design and install each impressed current or galvanic anode system to minimize any adverse effects on existing adjacent metallic structures.

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 No. 4-2007-5042M** 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
Material Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance*