

WARNING LETTER

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January 7, 1997

Mr. Mike Hardy ..  
Vice President Transportation Distribution

Giant Industries - Arizona, Inc.  
23733 North Scottsdale Road  
Scottsdale, Arizona 85255

CPF No. 47601 -W

Dear Mr. Hardy:

On September 23 - 27, 1996, a representative of the New Mexico State Corporation Commission (NMSCC) made an inspection of your Ciniza Pipe Line facilities in Farmington, New Mexico. He acted under an agreement with the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code.

As a result of the inspection, it appears that you have committed probable violations of the pipeline safety regulations (Title 49, Code of Federal Regulations, Parts 195 and 199). The probable violations are:

1. Section 195.402(a) requires each operator to prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.

Ciniza Pipe Line did not follow their written procedures for determining which pipeline facilities are located in areas that would require an immediate response by the operator to prevent hazards to the public if the facilities failed or malfunctioned.

2. Section 195.402(a) requires each operator to prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.

The following items have not been addressed in Ciniza Pipe Line's procedural manual:

(a)

Maximum operating **pressure, as required by §195.406(a).**

(b) Smoking or open flames, as required by §195.438.

3. Section 195.402(a) requires **each** operator to **prepare and follow for each pipeline system** a manual **of** written **procedures** for conducting normal operation and maintenance activities and handling abnormal operations and emergency

Ciniza's written procedures **do** not address the location where signs must be placed, as required by §195.434.

4. Section 195.402(c) requires that procedures must include the following provide safety during maintenance and normal operations.
  - (10) Abandoning pipeline facilities, including safe disconnection from an operating pipeline system, purging of combustibles, and sealing abandoned facilities left in place to minimize safety and environment hazardous.
  - (13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.
- (14) Taking adequate precautions in excavated trenches to protect personnel from the hazards of unsafe accumulations of vapor or gas, and making available when needed at the excavation, emergency rescue equipment including a breathing apparatus and, a rescue harness and line.

Ciniza does not have written procedures which meet the requirements of this part. The specific items above have not been included in the written procedure for Giant Industries, Ciniza Pipe Line.

5. Section 195.402(d)(1)(v) requires that procedures for responding to, investigating, and correcting the cause of any other malfunction of a component, deviations from normal operation, or personnel error which could cause a hazard to persons or property

Ciniza's written procedures for abnormal operations were not included, as required by §195.402(d)(1)(v).

6. Section 195.402(d)(5) requires that periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

At the time of the inspection, there were no records to show that personnel response to abnormal operation has been reviewed, as required by §195.402(d)(5).

7. Section 195.402(e)(2) requires each operator to include procedures for prompt and effective response to a notice of each type of emergency, including fire or explosion occurring near or directly involving a pipeline facility, accidental release of a hazardous liquid from a pipeline facility, operational failure causing a hazardous condition, and natural disaster affecting the pipeline in its procedural manual for operations, maintenance, and emergencies.

Ciniza's emergency procedures do not include procedures for responding to fire or explosion occurring near or involving the pipeline, or natural disaster affecting the pipeline facility.

8. Section 195.403(a)(6) requires each operator to establish and conduct a continuing training program to instruct operating and maintenance personnel to safely repair facilities using appropriate special precautions, such as isolation and purging, when highly volatile liquids are involved.

Ciniza's written continuing training program **does** not provide appropriate special precautions, as required **by §1 95.403(a)(6)**.

9. Section 195.406(a)(3) requires that except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds 80 percent of the test pressure for any part of the pipeline which has been pressure tested under subpart E of this part.

The maximum operating pressures (MOP) for the Wingate pipeline, San Juan pipeline, and the Star Lake Station to Hospah Station segment of the East Line have not been determined in accordance with Section 195.406(a)(3).

10. Section 195.418 requires each operator to investigate the corrosive effect of the hazardous liquid on the system and take adequate steps to mitigate internal corrosion.

Ciniza could not provide records to indicated that the corrosive effect of the hazardous liquid in the pipeline has been investigated.

11. Section 195.440 requires each operator to establish a continuing educational program to enable the public, appropriate government organizations and persons engaged in excavation-related activities to recognize a hazardous liquid and to report it to the operator or the fire, police, or other appropriate public officials. The program must be conducted in English and in other languages commonly understood by a significant number and concentrations of non-English

speaking populations in the operators operating areas.

Ciniza has not conducted a continuing education program to enable the public recognize a pipeline emergency and report it to the operator or appropriate public officials. **Also**, Ciniza's public education procedures **do** not provide for enabling the public to recognize a hazardous liquid pipeline emergency and report the emergency.

12. Section 199.11(b) requires, as soon as possible, but no later than 32 hours after an accident, an operator shall drug test each employee whose performance either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. An *accident* is defined under Section 195.

On June 25, 1996, two Ciniza Pipe Line employees were pulling fence posts out of the ground with a back hoe, when one of the employees was injured by a fence post. Both employees were given DOT post-accident drug test as a result of a non-reportable accident. There was no release of a hazardous liquid from pipeline. (A company having a drug policy separate from DOT may test employees under company policy.)

13. Section 199.225(a) requires, as soon as possible following an accident, each operator shall test each surviving covered employee for alcohol if that employee's performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. A *accident* is defined under Section 195.50.

On June 25, 1996, two Ciniza Pipe Line employees were pulling fence posts out of the ground with a back hoe, when one of the employees was injured by a fence post. Both employees were given DOT post-accident alcohol test as a result of a non-reportable accident. There was no release of a hazardous liquid from a pipeline. (A company having an alcohol policy separate from DOT may test employees under company policy.)

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 violation persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documentation 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.

Sincerely,