



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

901 Locust Street, Suite 462
Kansas City, MO 64106-2641

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 14, 2012

Mr. Scott Root
Senior Vice President, Supply
Koch Nitrogen Company, L.L.C.
4111 East 37th Street, North
Wichita, Kansas 67201

CPF 3-2012-6001W

Dear Mr. Root:

On October 11-13, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Koch Nitrogen Company, L.L.C.'s operation and maintenance records of the associated facility in Garner, Iowa.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is:

1. §195.579 What must I do to mitigate internal corrosion?

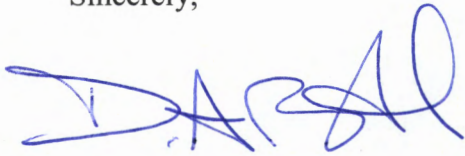
(c) Removing pipe. Whenever you remove pipe from a pipeline, you must inspect the internal surface of the pipe for evidence of corrosion. If you find internal corrosion requiring corrective action under Sec. 195.585, you must investigate circumferentially and longitudinally beyond the removed pipe (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed pipe.

Koch Nitrogen Company did not perform an inspection of pipe removed during a facility piping project that occurred in 2010. Koch Nitrogen Company provided the following written response to a records request from PHMSA's Central Region, "This inspection report is not available as the inspection was not completed during this installation project."

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in Koch Nitrogen Company L.L.C. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 3-2012-6001W**. 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).

Sincerely,



David Barrett
Director, Central Region
Pipeline and Hazardous Materials Safety Administration