

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 20, 2011

Mr. John Niemi
Manager LLC
OP Reno, LLC
1331 Christine Avenue, Suite 100
St. Louis, MO 63131

CPF 5-2011-6003W

Dear Mr. Niemi:

On February 25, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Sparks Terminal in Sparks, Nevada.

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 item inspected and the probable violation is:

1. **§195.432 Inspection of in-service breakout tanks.**
 - (b) **Each operator shall inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to section 4 of API**

Standard 653. However, if structural conditions prevent access to the tank bottom, the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3).

The API Standard 653 inspections are late for two of your PHMSA regulated tanks. The last API 653 internal inspections for Tanks 25007 and 27008 were performed in 1999. The next API 653 internal inspection was due in 2009. At the time of the inspection, the API 653 internal inspections had not been completed for these tanks.

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 OP Reno, LLC 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 5-2011-6003W**. 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,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 C. Allen (#129673)