

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 6, 2011

N.C. Bowerman
Vice President of Operations
Hunt Crude Oil Supply Company
P.O. Box 211
Gilbertown, AL 36908

CPF 2-2011-5006W

Dear Mr. Bowerman:

On February 7-10, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected the Hunt Crude Oil Supply Company (Hunt) Liquid Integrity Management Program in Melvin, Alabama, pursuant to Chapter 601 of 49 United States Code.

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

- 1. §195.452(f) *What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:***
 - (1) A process for identifying which pipeline segments could affect a high consequence area;**

Hunt failed to identify certain pipeline facilities that could affect a high consequence area (HCA). Section 2.3 and Appendix O (page O-2) in Hunt's liquid integrity management program dated March 2010 have guidance Hunt should use to determine if facilities could affect a high consequence area. Yet, Hunt's liquid integrity management program documentation did not show that Hunt had completed an evaluation to determine if two breakout tanks located in Melvin, Alabama, or the Boligee Pump Station at mile post 63 in Alabama could affect an HCA.

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(s) identified in this letter. Failure to do so will result in Hunt Crude Oil Supply Company 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 2-2011-5006W**. 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,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region