



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Ave., SE
Washington, DC 20590

MAR 25 2011

Mr. David Kehoe
Chief Executive Officer
Key Pipeline, Limited
P. O. Box 1745
Dumas, Texas 79229

Re: CPF No. 5-2007-5039

Dear Mr. Kehoe:

Enclosed please find the Final Order issued in the above-referenced case. It withdraws the allegations of violation. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, PHMSA

CERTIFIED MAIL – RETURN RECEIPT REQUESTED[7005 1160 0001 0040 0016]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)

Key Pipeline, Limited,)

Respondent.)

CPF No. 5-2007-5039

FINAL ORDER

On October 16-18, 2006, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Key Pipeline, Limited (Key or Respondent), in Wheatland, Wyoming. Respondent operates two hazardous liquid pipeline segments, totaling approximately 17 miles, and a tank storage facility near Guernsey, Wyoming.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated November 5, 2007, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Key had committed violations of 49 C.F.R. Part 195, assessing a civil penalty of \$15,000, and ordering Respondent to take certain measures to correct the alleged violations. The Notice also proposed finding that Respondent had committed a probable violation of 49 C.F.R. Part 195 and warning Respondent to take appropriate corrective action or be subject to future enforcement action.

Key responded to the Notice by letter dated November 30, 2007 (Response). The company contested some of the allegations, offered additional information in response to other allegations, and requested that the proposed civil penalty be eliminated.

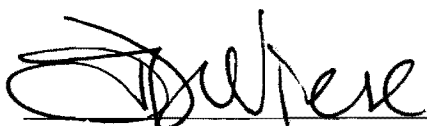
On April 29, 2010, Key completed a purging operation and successfully removed its 17-mile pipeline from active service.

WITHDRAWAL OF ALLEGATIONS

The Director has reviewed the information received since the date of the Notice and determined that further prosecution of this enforcement action is not warranted. Accordingly, I hereby

withdraw the allegations in Items 1-9 of the Notice that Key had committed violations of 49 C.F.R. §§ 195.104, 195.402, 195.404, 195.408, 195.428, 195.432, and 195.581 at the time of the October 2006 pipeline safety inspection.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.



Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

MAR 25 2011
Date Issued