



U.S. Department  
of Transportation

**Pipeline and Hazardous  
Materials Safety  
Administration**

1200 New Jersey Avenue, SE  
Washington, D.C. 20590

APR 19 2018

Mr. Ben Ho  
Assistant Deputy Director  
Pipeline Safety Division  
Department of Forestry and Fire Protection  
California State Fire Marshal  
3950 Paramount Boulevard, Suite 210  
Lakewood, California 90712

**PHMSA-2018-0017**

Dear Mr. Ho:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) has reviewed your letter dated February 22, 2018, notifying us that the California Resources Corporation - THUMS Long Beach Company (CRC) requested a State Waiver from the Office of the State Fire Marshal (OSFM). CRC requested waivers of 49 CFR 195.105, 195.112, 195.200, 195.304 and 195.406(a), for the use of FlexSteel to transport crude oil between their Pier J Storage Processing Facility and Broadway and Mitchell LACT unit in Long Beach, California.

PHMSA does not object to the approval of the CRC Waiver, conditional on OSFM accepting the below edits to the mandatory conditions included in the Waiver. PHMSA modifies the conditions read as follows:

- 1) FlexSteel must only be used as stated in the CRC petition to transport crude oil over the 10,000-foot distance between the J-6 Storage Facility and the B&M LACT unit. The FlexSteel pipe to be used in this project is 8-inch in diameter with a manufacture pressure rating of 1,500 psig. The pipeline maximum operating pressure (MOP) must not exceed 720 psig.
- 2) All processes and procedures relating to the installation of the FlexSteel pipe must be monitored by CRC. OSFM Pipeline Safety personnel will be on hand during the installation of the segment.
- 3) Records verifying factory testing of the pipeline must be submitted by CRC to OSFM prior to any installation. Installations are subject to OSFM's review and approval of test records and any other relevant information.
- 4) Once installation is completed, CRC must hydrostatically pressure test the pipeline to minimum of 150% times the maximum operating pressure (MOP) for a minimum of 24 continuous hours. Hydrostatic pressure test data shall be submitted to OSFM upon completion and kept for the life of the pipe segment.

- 5) Documentation that FlexSteel certified installation/manufacturing personnel and/or a certified Quality Assurance/Quality Control inspector were on-site during all phases of the operation including installation and testing will be provided to OSFM within 7 days of installation.
- 6) In accordance with the procedures provided to OSFM, CRC and/or FlexSteel must supply all appropriate training documents related to the installation, connections, flanges, and inspections that must be conducted during the insertion operation and subsequent maintenance operations pertaining to this Waiver, prior to the operation of the segment.
- 7) CRC must provide construction reports of any issues that arise during installation that might have compromised the integrity of the pipe and how those issues were mitigated to OSFM upon discovery.
- 8) The crude oil line, including both the FlexSteel and carbon steel pipeline through which it is to be inserted, must be operated and maintained in accordance with applicable sections of 49 CFR Part 195, California Government Code, Sections 51010 et seq., and associated State regulations. A detailed operator qualification (OO) procedure, including covered tasks (49 CFR 195.501(b) Scope), must be provided to OSFM for review and approval prior to installation. All individuals performing covered tasks must be properly OO certified.
- 9) An excess pull of at least 50 feet will be utilized to check for any damage or deformities to the pipe, as defined by FlexSteel's published damage criteria. If any damage or deformities to the pipe are present, additional pull-through at increments of 50 feet will be required until damage or deformities are no longer observed.
- 10) CRC must follow its existing Operations and Maintenance procedures, modifying it as needed for the section of pipe subject to this State Waiver to detect and manage leaks. A plan, subject to the approval of OSFM, requiring inspection of the pipe at appropriate intervals to ensure no adverse effects have occurred during the operational life of the pipe must be included
- 11) CRC will apply their existing corrosion control plans and procedures, consistent with 49 CFR Part 195, to the JBM-1 pipeline, both carbon steel and FlexSteel, which are covered under this State Waiver.
- 12) A monitoring system must be installed to address inner barrier migration of the product into the annular space of the FlexSteel. CRC shall submit records confirming the installation and operations of the system to OSFM.
- 13) CRC will perform leak surveys at 3, 6, and 12 months following the initial operation of the State Waiver segment. Subsequent reevaluation survey intervals will be determined by OSFM, though not to exceed 5 years.
- 14) CRC must notify OSFM of any deviations from this State Waiver within 5 working days after a discovery of the deviation, and the continued operation of the segment covered by this Waiver will be subject to further approval by OSFM.

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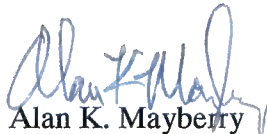
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- 15) If CRC fails to comply with any conditions of this State Waiver, or if OSFM determines that this State Waiver is no longer appropriate or is inconsistent with pipeline safety, OSFM may revoke the State Waiver without advanced notice and require CRC to comply with all appropriate regulatory requirements.
- 16) If OSFM finds this pipeline's integrity is deficient, poses a risk to the public or the environment, or if any failure occurs, CRC must inform OSFM immediately and employ the necessary mitigative measures to ensure safety, which may include replacement of the FlexSteel pipe with materials approved in 49 CFR Part 195. If OSFM finds the mitigative measures are not sufficient to ensure safety, OSFM may revoke this Waiver without notice.
- 17) CRC must monitor the shipping pump discharge temperature or FlexSteel section temperature to ensure the sales crude does not exceed the manufacturers maximum temperature rating of 180 degrees Fahrenheit.

PHMSA requests that the OSFM forward a copy of the revised Waiver to PHMSA within 30 days of the final approval.

My staff would be pleased to discuss this decision or any other pipeline safety matter with you. Mr. John Gale, Director, Standards and Rulemaking Division, may be contacted at 202-366-4959 on regulatory matters, and Mr. Kenneth Lee, Director, Engineering and Research Division, may be contacted at 202-366-2694 on technical matters specific to this decision.

Sincerely,



Alan K. Mayberry  
Associate Administrator for Pipeline Safety

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