Cliffside Refiners Limited Partnership Meeting

February 15, 2022 @ 9:00 AM

Attendees:

(Cliffside)	**Mark M.**	**Dawn J.**	**Keith L.**	**Flavio C.**	**Melissa**
(Downtown)	**Roger H.**	**Sam B.**	**Jordan F.**	**John H.**	
(NOC)	**Emmett L.**				
(CRLP)	**Nick D.**	**Bob L.**	**Brad B.**	**Matt T.**	
	Mike C.				
(AP)	**Bob L.**	**Kaylyn S.**			
(Messer)	**Nick H.**	**Mike D.**			

COVID-19

Nick D. -COVID-19 Has gone down considerably in the Amarillo area and all over the Country. Down from around 14000 cases to around 8300.

Dawn J.- Concurs

Sam B. - Deferred to Keith

Keith L, - No updates

SAFETY

Nick D. - Any incidents to report, Dawn do you have anything on that?

Dawn J. - We had a leak that ended up on the coalescers, it is outside of the main CACU.

John H. – Continuing to work on the Wakashaw, no safety concerns at the moment.

OPERATIONAL STATUS

Nick D. – Pipeline pressure currently?

Dawn J. – Las she checked it was 969psi

Nick D. – Ballpark is enough, if it comes up a bit, Sam will report on the 11 o-clock.

John H. – One of the Atlas COPCO is running and chasing parts to get the second one up, update next week. At the time they are only working on the Wakashaws.

Nick D. – Last week we talked about Atlas Copco instrument air compressor, there seemed to be 2 issues. There also seemed to be control issues, a freeze up of controls. Any updates on the control side?

Dawn J. – Brad is chasing down the Prism unit, at the moment we are in the process of doing the evaluation.

Nick D. – So, in-progress still, I think that is also return to site, have some dialogue and review the purge process of the coal boxes, also of the general process, piping vessels and so forth. We have not necessarily laid the plan up if you will for medium to long term, this was going to be one of the discussions with Dawn this week.

There is a number of jobs that are ongoing a laundry list of items that are being done for mechanical integrity purposes through CRLP and BLM equipment, working together through them.

Update on where we stand on Geosyntec safety and operational view.

Dawn J. I may be the right person to answer that. They are doing information gathering and analysis at the moment, we have had several ROI's, several meetings related to mechanical integrity and incidents. Right now, is a lot of the document review and some interviews on the information gathering stage.

Nick D. – Are they on site?

Dawn J. – They are not on site, the folks that are doing it are familiar with the site, they are doing it largely through documents and interviews. If necessary, we can have them onsite.

Nick D. – That is an important element on the CRLP side understanding that any discussion on restarting the plant is totally dependent upon the conclusion, outcome, and resolution of any issues that come up from the Geosyntec report, obviously we have a vested interest that, interested in how it progresses, anything that is shared as it progresses gives us indication of when we might be able to get back into operations, early March, late March, hopefully not later.

Nick – You mentioned that they were looking at culture, explain a bit more?

Dawn J. – Part of the safety program is response to incidents, how operations are accomplished, how issues are reported, how often they are reported, do we have a near-miss program, do we have an incident reporting program, do we investigate incidents, do we complete corrective action, how do we implement those? There is a lot of issues management type things that are being evaluated in this process that are for me and perhaps I misspoke, but for me those are Culture items, because we can tell somebody all day to report a near miss, but it actually takes the culture and something engrained to actually have those reported on a regular basis, to me it is a difference between compliance and culture, this is my language vs somebody else language, I hope that helps.

Nick H. – Yeah, thanks

Nick D. – I think they are, I agree with you Dawn, there are two different things, I think the concern for a group and whether its CRLP or its 11 o'clock storage holders, when they hear Culture, they don't think overnight change, whereas procedure can change tomorrow, so culture is a much bigger nut to crack, there is the concern that BLM is going to await a culture change before being comfortable enough to restart then obviously that would get a worried card from those that are interested in the product, because again, culture does not change overnight, it's a learn response in a way.

Dawn J. – I understand completely what you are saying, I do not believe that BLM is waiting on a "culture change" to restart. I think the question is, If we have a culture challenge? What are the controls and mitigating factors that can be put in place that it will actually help us to get to where we can comfortably start up? i.e., Supervisory checks, management checks, status checks at different levels. What kind of assessments can we bring in to make sure that we are addressing what is needed? If we have a culture problem or if we have a challenge or we are not doing certain things that are outside of the compliance or the procedures, then what controls the mechanism, it would be our responsibility to be able to communicate what controls the mechanisms that we are implementing locally to ensure that we can accomplish work in the process of changing that culture. So, no sir, I have zero intention on sending that message that we want to be perfect to start up, we actually need to understand where our Deltas are and put the mitigating factors in place to the satisfaction of out leadership and something that works on the ground to be able to effectively function.

Nick H. – Here is my concern, In April last year, there was a release, because of failure to follow a lock-out, tag-out procedures that had been implemented and trained many times. Okay, that was identified as a cultural issue at the time. Now, we are saying there is still a cultural issue, okay, we had another near miss by another failure to follow lock-out, tag-out procedure. So, if you look at anyone's of the companies that are present here aside from BLM, there are things called consequence management, If somebody constantly fails to follow the procedures on which they have been trained you take consequential actions, which could mean obviously disciplinary actions up to firing a person, and unless you implement some sort of consequence management, is unlikely you are ever going to change the culture, because people simply don't follow the procedures and if there is no impact on them doing that, other that shutting down the plant, you are not going to change culture, but it's a pretty mute discussion, I don't think we --- spend anymore time with it. I don't see how the goal here by the BLM to change culture is ever going to happen with the current operating practices.

Nick D. – Yeah, I would back Dawn up, in saying and I heard what you said Dawn, maybe it's the second wake-up call. We hit the snooze button in May, then we got another alarm in January where thought, maybe this is the wake up call, that everybody got the attention, the right management tier and BLM has got the wake-up call and the direction changes, we are with you

on this Dawn, what you say is right, you are not going to fix it overnight but if you implement the process or the procedures that take you down that track, that is what we can all strive for. No one is going to change it overnight, but if you get people trending in the right direction and you have what Nick is alluding to, consequential discipline if you want to call it that, that is just one element, so, we are with you on that track and we will try to help you out.

Dawn J. – Thank you

There are a couple of things that are kind of in the works. We are having challenges with the flare, being able to keep it going, the operators are having a challenge restarting it, Brad and I are having discussions on it, Keith is being involved, our operators have been working it, so I think that we have some opportunities of having to understand what is happening at the flare and what we might be doing that we are unaware of, that maybe there is a valve somewhere, something that we are unaware of that we need to address, or maybe there is something somewhere mechanically or equipment wise that we need to address, but that is one of the things. Brad has emphasized that we need to keep running and we are having challenges doing that, sometimes it will go for several days, then all of the sudden it will shut down, so we are not sure if it's a flow issue, a mechanical issue, that is something we are working and diligently trying to work through with Brad to get resolved.

Nick D. – I can't speculate on what it is other than high level, there is a number of things, you have control devices, switch devices. There is a lot of nitrogen flowing around the plant right now. I know that from the fact that we are importing nitrogen to the storage system there, and it's not inconceivable that the flare takes a slug of nitrogen that is accumulating and then passing thru some control valves, then it knocks it out, that is total speculation. That is one thing, trouble keeping the flare at the same time we are consuming nitrogen would be something I would think about. Do we have nitrogen going in the direction we don't want? Brad will be there.

Nick D. - What was the other one?

Dawn J. – One of the things we have to look at going forward is low-flow and how to operate in a low-flow environment. We have alluded to that in this whole bootstrap issue and several other conversations that have happened, we have to understand and identify how to change operations in a low-flow environment, if it's truly existing or an equipment issue, Brad is chasing down if it's an equipment issue. I believe we need to keep it on our radar and evaluate any changes that might actually happen to implement, in order to operate in that type of environment.

Nick D. – Low flow will be a factor. Part of the reason the booster compressor was put in was to overcome those type of obstacles, one at a time. The plant is capable of running at a fairly low rate, but as you go to the higher end range of an operable plant, you can get into a zone that needs more attention and more control. It is a good observation and I think we are all aware that we operate in a low-flow rate. We just need to find the control solution that allows it.

Dawn J. - We are working on collecting information to get a good understanding, list of items that require maintenance that I need to get to you, so that we can prioritize.

Nick D. - Going back before time there, we talked about having used the term deficiency list, while there was a leak or deficiency, there was a white board used by the operators in the control room. This was not a historically accurate method. We are with you on that. Both parties should contribute to that list, operators are there 24-7, so they pick up on things the rest of us do not see. Getting them into the documentation flow is a good deal.

Dawn J. – Dawn asked Nick D for a sidebar.

Nick D. – Agrees

Nick D. – OSHA, another series of reports?

Dawn J. – Yes, we did get last wed a notification od an additional notice. The response is due tomorrow, we are finalizing that response. We have what we need from the CRLP, sending you a note. Working towards abatement, define abatement and implementation as they are different things.

Sam B. – Asks for a sidebar

Nick D. - Agrees

Meeting complete.