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May 8th, 2017
Mr. R.M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration,

Dear Mr. Seeley:

On April 18th, 2017, EnVen received a Notice of Probable Violation and Proposed Compliance Order (CPF 4-2017-5012) and a Notice of Amendment (CPF 4-2017-5013M). We have reviewed the stated probable violations and compliance order and have chosen not to contest any of the findings. We have made the requested updates to our OM Manual and obtained the appropriate records as described below.

CPF 4-2017-5012

1. "EnVen failed to perform electrical checks for proper performance of each rectifier providing cathodic protection to the Cognac Pipeline Offshore Liquid System as required by §195.573."

Although it was originally thought this rectifier did not protect the EnVen pipeline system, it has been determined that it does provide secondary cathodic protection to supplement the sacrificial anode bracelets. EnVen has requested and received copies of the records showing periodic (6 times per calendar year not to exceed 2 ½ months) inspection of the rectifier from Hilcorp and have attached those records to this letter.

CPF 4-2017-5013M

1. "EnVen procedures do not specify the use of a saturated Silver/Silver Chloride reference electrode or the compensated voltage equivalent if a Copper/Copper Sulfate reference electrode is used when conducting annual cathodic protection potential monitoring of the Cognac Pipeline Offshore Liquid System."

EnVen has updated OM Manual Procedure P-195.561: External Corrosion to state "As an alternative, EnVen may use a saturated silver/silver chloride reference electrode in 25 ohm-cm seawater with a voltage of -800 mV as an equivalent to the -0.850 requirement." (See attached page 246).

2. "Procedures for electrical checks of the rectifiers providing impressed current to the Cognac Pipeline Offshore Liquid System were not included in EnVen's corrosion control procedures"

EnVen does not own the rectifier and will not be inspecting it, nor are we able to control the procedure used to inspect the rectifier. However; EnVen has edited their OM Manual Procedure P-195.561: External Corrosion to required EnVen personnel to get copies of the records every 2 months and ensure the rectifier is being inspected. If EnVen determines there may be an issue with the rectifier, they will discuss with Hilcorp and determine if additional protection is needed to supplement cathodic protection for the Cognac pipeline. Page 236 from the OM Manual is attached, the appropriate edit is located in the Frequency Table under Inspecting Rectifiers.

A handwritten signature in blue ink, appearing to read "David Helminiak", is written over the signature line.

Sincerely
EnVen Energy
Mr. David Helminiak
Health Safety Environmental Manager
For
Mr. David Dunwoody
President