



**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

March 18, 2021

Joel McComas
President and Chief Executive Officer
Easton Energy Pipelines LLC
15375 Memorial Drive, Suite 850
Houston, Texas 77079

CPF 4-2021-009-NOPV

Dear Mr. McComas:

From August 10, 2020 through October 7, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Easton Energy Pipelines LLC's (Easton), Easton/Ocelot highly volatile liquid (HVL) pipeline system from Iowa, Louisiana to Orange, Texas.

As a result of the inspection, it is alleged that Easton has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

- 1. § 195.420 Valve maintenance.**
 - (a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.**

Easton failed to maintain pipeline valves necessary for the safe operation of its pipeline system in good working condition as required by § 195.420(a). During the inspection, PHMSA reviewed the block valve inspection reports for two inspection cycles that occurred on December 2, 2019 and May 13, 2020. The valve inspections included four valve site locations, Sites #3, #9, #10, and #11, where records indicated the valves were inoperable during the inspections. Easton did not have any documentation to demonstrate the valves were subsequently repaired to ensure they were in good working order at all times. On September 9, 2020, PHMSA verified during the field observation inspection that the valve at Site #3 on Eastern Drive was inoperable.

2. § 195.410 Line markers.

- (a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:
- (1) ...
 - (2) The marker must state at least the following on a background of sharply contrasting color:
 - (i) ...
 - (ii) The name of the operator and a telephone number (including area code) where the operator can be reached at all times.

Easton failed to place line markers to include the name of the operator and a telephone number where the operator could be reached at all times over its buried pipeline. The pipeline has been operated under three operator names over the past three years starting with Williams Olefins Feedstock who divested the pipeline assets to Ocelot Energy Management LLC on November 30, 2018, and on August 10, 2020, Ocelot divested to Easton Energy Pipeline LLC.

During the field observation inspection of October 7, 2020, the pipeline markers on the pipeline reflected information for all three operators mentioned herein at separate locations. Easton personnel placed stickers with Easton Energy Pipeline LLC information over the markers that were found still bearing “Ocelot Energy Management LLC” and “Williams Midstream” at the locations visited during the inspection.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

With respect to Item Number 1 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Easton Energy Pipelines LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Item

With respect to Item Number 2, 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 promptly correct this item. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 4-2021-009-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Mary L. McDaniel P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Easton Energy Pipelines LLC (Easton) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Easton with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to Easton's failure to have each valve necessary for the safe operation of the pipeline system in good working condition at all times, Easton must submit a plan to remediate valves at Valves Sites #3, #9, #10, and #11 that have remained inoperable within **30** days of receipt of the Final Order.
- B. In regard to Item 1 of the Notice pertaining to Easton's failure to have each valve necessary for the safe operation of the pipeline system in good working condition at all times, Easton must submit records to demonstrate the implementation and completion of the remedial work plan submitted pursuant to Item A of the Compliance Order within **180** days of receipt of the Final Order.
- C. Easton must submit the documentation required under Items A and B of the Compliance Order to Mary L. McDaniel P.E., Director, Southwest Region, Office of Pipeline Safety, PHMSA, within the required timeframes.
- D. It is requested (not mandated) that Easton maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary L. McDaniel P.E., Director, Southwest Region, Office of Pipeline Safety, PHMSA. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.