

December 21, 2017

Via Federal Express and e-mail (robert.burrough@dot.gov)

Mr. Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
820 Bear Tavern Road, Suite 103
West Trenton, New Jersey 08628

RE: CPF No. 1-2017-5027
Request for Hearing, Preliminary Statement of Issues, and Request for Documents

Dear Mr. Burrough:

Pursuant to 49 C.F.R. §§ 190.208 and 190.211, Blue Racer Midstream, LLC (Blue Racer or Company) respectfully submits the attached Request for Hearing, Preliminary Statement of Issues, and Request for Documents (Hearing Request) in response to the Notice of Probable Violation and Proposed Civil Penalty (Notice) that the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued on November 24, 2017. PHMSA alleges in the Notice that Blue Racer violated 49 C.F.R. §§ 195.402(a) and 195.428(a) in operating the B2N Pipeline and proposes that Company pay a total civil penalty amount of \$71,800.

As described more fully in the attached Hearing Request, Blue Racer respectfully contests the allegations of violation and seeks a withdrawal or reduction of the proposed civil penalties. The B2N Pipeline is a rural gathering line consisting of pipeline segments that are either exempt from regulation under 49 C.F.R. §195.1(b)(4) and 49 U.S.C. § 60101(a)(22)(B), or that are only subject to the requirements for regulated rural gathering lines in 49 C.F.R. § 195.11. The provisions in 49 C.F.R. §§ 195.402(a) and 195.428(a) do not apply to the B2N Pipeline in either scenario. Accordingly, Blue Racer respectfully submits that PHMSA cannot substantiate the violations alleged in the Notice as a matter of law.

Furthermore, even if 49 C.F.R. § 195.428(a) applied to the B2N Pipeline, the pressure safety valve identified in the Notice, PSV-100, would not be subject to that regulation. Section 195.428(a) only requires periodic inspection and testing of devices that are an integral part of a pipeline's overpressure protection system, and PSV-100 is not an integral part of the overpressure protection system for the B2N Pipeline. Therefore, PHMSA would not be able to

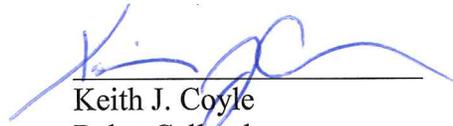
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prove that Blue Racer violated 49 C.F.R. § 195.428 even if that regulation applied to the B2N Pipeline.

The other issues that Blue Racer intends to raise at the hearing are described more fully in the attached Hearing Request. Blue Racer shares PHMSA's commitment to pipeline safety and looks forward to discussing the items in the Notice and Hearing Request with your staff. Please feel free to contact me if you have any questions.

Sincerely,



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cc: Forrest Pittman, Attorney-Advisor (via e-mail)