U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.771.7800

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

September 20, 2018

Ms. Farrah Lowe
Senior Vice President, ESR, Land & Outreach
Crestwood Midstream Partners LP
811 Main Street.
Houston, TX 77002

CPF 1-2018-1020W

Dear Ms. Lowe:

From April 17 to 19, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Crestwood Midstream Partners LP (Crestwood) Stagecoach Underground Natural Gas Storage (UGS) Field in Tioga County, New York.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. **§192.12 (d) Underground natural gas storage facilities.**

   (d) Each underground natural gas storage facility that uses a depleted hydrocarbon reservoir or an aquifer reservoir for gas storage, including those constructed not later than July 18, 2017 must meet the operations, maintenance, integrity demonstration and verification, monitoring, threat and hazard identification, assessment, remediation, site security, emergency response and preparedness, and recordkeeping requirements and recommendations of API RP 1171, sections 8, 9, 10, and 11 (incorporated by reference, see §192.7) by January 18, 2018.

Crestwood failed to monitor annular pressure, as required by API RP 1171 Section 9.3.2, at 4 wells in the UGS Field.

API RP 1171, Section 9.3.2, states in part "The operator shall monitor for presence of annular gas by measuring and recording annular pressure and/or annular gas flow".

During the field inspection at Stagecoach UGS field, PHMSA discovered that Crestwood was unable to monitor the annular pressure at multiple wells due to inaccessible valves (either buried or under water). The wells that were unable to be monitored included the following:

- Barnhart #1
- Lacker 0-1
- N. Mead 1A
- Well L1

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed $209,002 per violation per day the violation persists, up to a maximum of $2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed $200,000 per violation per day, with a maximum penalty not to exceed $2,000,000 for a related series of violations. 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 correct the item(s) identified in this letter. Failure to do so will result in Crestwood being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2018-1020W**. 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).

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration