U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

February 12, 2019

Mr. Ben Moore
Vice President Operations and Engineering
Grama Ridge Storage and Transportation, LLC
20329 State Highway 249, Suite 400
Houston, TX 77070

CPF 1-2019-0002M

Dear Mr. Moore:

From September 11 to 13, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Grama Ridge Storage and Transportation, LLC's (Grama Ridge) procedures and records for the operation of the Enstor Grama Natural Gas Storage Field in Hobbs, New Mexico and at the Enstor Grama storage field located 40 miles southwest of Hobbs in Lea County, New Mexico.

Based on the results of the inspection, PHMSA has identified the apparent inadequacies found within the Grama Ridge's Underground Natural Gas Storage (UNGS) procedures, as described below:

1. **§ 192.12 Underground natural gas storage facilities.**

   (e) Operators of underground gas storage facilities must establish and follow written procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171, as required under this section, including the effective dates as applicable, and incorporate such procedures into their written procedures for operations, maintenance, and emergencies established pursuant to § 192.605.

Grama Ridge's written procedures for operations, maintenance and emergencies implementing the requirements of API RP 1171 were inadequate. Specifically, Grama Ridge procedures do not state how they will evaluate each annular gas occurrence that exceeds operator-defined threshold levels determined from well integrity evaluation and from risk assessments as required in API RP 1171,

Section 9.3.2, for the wells at Enstor Grama.

API RP 1171, Section 9.3.2 Well Integrity Monitoring, states in part:

> The operator shall monitor for presence of annular gas by measuring and recording annular pressure and/or annular gas flow. The operator shall evaluate each annular gas occurrence that exceeds operator- or regulatory-defined threshold levels determined from well integrity evaluation and from risk assessment.

2. **§ 192.12 Underground natural gas storage facilities.**

   (e) Operators of underground gas storage facilities must establish and follow written procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171, as required under this section, including the effective dates as applicable, and incorporate such procedures into their written procedures for operations, maintenance, and emergencies established pursuant to § 192.605.

Grama Ridge's written procedures for operations, maintenance and emergencies implementing the requirements of API RP 1171 were inadequate. Specifically, Grama Ridge does not have procedures for maintaining, repairing, or replacing isolation valves as required in API RP 1171, Section 9.3.2, for the wells at Enstor Grama.

API RP 1171, Section 9.3.2 Well Integrity Monitoring, states in part:

> The operator shall visually inspect each wellhead assembly at least annually for leaks. The operator shall test the operation of the master valve and wellhead pipeline isolation valve at least annually for proper function and ability to isolate the well. The valves shall be maintained, repaired, or replaced in accordance with the operator's valve maintenance program for isolation valves.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance 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, revised procedures, or a request for a hearing under §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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans

or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Grama Ridge Storage and Transportation, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2019-0002M** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*