

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

October 25, 2013

Mr. Connell R. Rader  
President  
Enmark Energy, Inc.  
104 First Choice Drive, Suite A  
Madison, MS 39110

**CPF 2-2013-6011**

Dear Mr. Rader:

On August 16, 2013, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety (OPS) inspected the records for Enmark Energy, Inc. (Enmark) Rentech 6-inch Pipeline<sup>1</sup> natural gas pipeline facilities in Louisiana and Mississippi, pursuant to Chapter 601 of 49 United States Code.

As a result of the inspection, it appears that Enmark has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are as follows:

- 1. §192.465 External corrosion control: Monitoring.  
... (d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.**

Enmark did not take prompt remedial action to correct deficiencies identified in its annual external corrosion control program monitoring in 2010, 2011, and 2012.

During its 2010 annual external corrosion control program monitoring, Enmark identified inadequate pipe-to-soil (p/s) readings at its cathodic protection test stations at mile posts 15.5 and 17.7 but did not take any corrective actions. Enmark identified similar

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<sup>1</sup> Previously called the Lake St. John Gas Line and International Paper 6" Pipeline.

inadequate p/s readings during its 2011 and 2012 annual external corrosion control program monitoring but, again, Enmark did not take any corrective actions.

**2. §192.517 Records.**

**(a) Each operator shall make, and retain for the useful life of the pipeline, a record of each test performed under §§192.505 and 192.507. The record must contain at least the following information:**

**... (5) Pressure recording charts, or other record of pressure readings.**

Enmark did not retain for the useful life of the pipeline pressure recording charts or other records of pressure readings for a test performed under §§192.505 and 192.507.

The Rentech natural gas pipeline was hydrostatically pressure tested on February 13-14, 1985. Enmark's records for the February 1985 pressure test pipeline consisted only of an April 4, 1985, International Paper Company "Memo to File" with the test pressure, the dates of the test, and other information. That is, Enmark did not provide the OPS inspector pipeline pressure recording charts or other records of pressure readings for the 1985 hydrostatic pressure test.

**3. §192.745 Valve maintenance: Transmission lines.**

**... (b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.**

Enmark did not take prompt remedial action to correct four valves it discovered as inoperable during its critical valve inspections and did not designate any alternative valves.

In July 2009, Enmark discovered that four pipeline valves were inoperable during its critical valve inspection and did not take prompt remedial action to correct the deficiencies. That is, Enmark's Critical Valve Inspection Reports for July 2009, November 2009, November 2010, October 2011, and August 2012 indicate that Enmark found the valves inoperable and frozen in position during each of these annual valve inspections yet Enmark did not take any remedial actions to correct the deficiencies.

Proposed Compliance Order

With respect to Items 1, 2, and 3 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Enmark Energy, Inc. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

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). 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.

In your correspondence on this matter, please refer to **CPF 2-2013-6011** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Wayne T. Lemoi  
Director, Office of Pipeline Safety  
PHMSA Southern Region

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

## PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Enmark Energy, Inc. a Compliance Order incorporating the following remedial requirements to ensure the compliance of Enmark Energy, Inc. with the pipeline safety regulations:

1. In regard to Item 1 of the Notice pertaining to Enmark Energy, Inc.'s (Enmark's) failure to take prompt remedial action to correct deficiencies identified in its annual external corrosion control program monitoring in 2010, 2011, and 2012 on its Rentech natural gas pipeline; Enmark must:
  - a. Identify all deficiencies on its Rentech pipeline indicated by Enmark's annual external corrosion control program monitoring in 2010, 2011, 2012, and 2013 (if completed); and,
  - b. Correct any deficiencies that do not meet external corrosion control cathodic protection criteria per §192.463(a).
2. In regard to Item 2 of the Notice pertaining to Enmark's failure to retain for the useful life of the pipeline pressure recording charts or other records of pressure readings for a hydrostatic pressure test of the Rentech pipeline on February 13-14, 1985; Enmark must:
  - a. Locate the original pipeline pressure recording charts or other original records of pressure readings for the February 13-14, 1985, hydrostatic pressure test of the Rentech pipeline; or,
  - b. Complete a hydrostatic pressure test of the Rentech pipeline.
3. In regard to Item 3 of the Notice pertaining to Enmark's failure to take prompt remedial action to correct four valves it discovered as inoperable during its critical valve inspections in 2009, 2010, 2011, and 2012; Enmark must:
  - a. Repair or replace all four valves and any other inoperable valves; or,
  - b. Designate alternative valves.
4. Enmark must notify the Director, PHMSA Southern Region, within 150 days following the date of issuance of the Final Order that Compliance Order Items 1, 2, and 3 have been completed.
5. It is requested (not mandated) that Enmark Energy, Inc. maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Wayne T. Lemoi, Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. 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.