

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 1, 2017

Heath Norman, CEO  
Dakota Midstream  
1400 Wewatta Street, Suite 310  
Denver, CO 80202

**CPF 3-2017-6008W**

Dear Mr. Norman:

On November 28 through December 2, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Dakota Midstream, near Alexandria, North Dakota.

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

**1. §195.404 Maps and records.**

**(b) Each operator shall maintain for at least 3 years daily operating records that indicate—**

**(2) Any emergency or abnormal operation to which the procedures under §195.402 apply.**

**§195.402 Procedures manual for operations, maintenance, and emergencies.**

**(a) General.** Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.

**(d) Abnormal operation.** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded;

**(5) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.**

Dakota Midstream failed to document an abnormal operation review when an abnormal operation occurred at the Spackler Station during an area wide power outage.

**2. §195.428 Overpressure safety devices and overflow protection systems.**

**(a) ...**, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, ... inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Dakota Midstream had no record of inspection on its overpressure safety device. No inspection record for its 8" flow control valve for calendar year 2015 was available for review.

As of April 27, 2017, 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. 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 items identified in this letter. Failure to do so will result in Dakota Midstream 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 3-2017-6008W**. 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,

Allan C. Beshore  
Director, Central Region, OPS  
Pipeline and Hazardous Materials Safety Administration