

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 29, 2017

Mr. Frederick Beck, Senior Vice President DPUSA
Statoil & Gas LP
6300 Bridge Point Parkway, Bldg 2, Suite 100
Austin, TX 78730

CPF 3-2017-6010W

Dear Mr. Beck:

On March 22-24 and May 3-5, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your North Dakota pipeline unit in Williston, 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 (CFR). The items inspected and the probable violation(s) are:

1. §195.104 Variations in pressure.

If, within a pipeline system, two or more components are to be connected at a place where one will operate at a higher pressure than another, the system must be designed so that any component operating at the lower pressure will not be overstressed.

Statoil Oil & Gas LP (Statoil) failed to demonstrate that when two or more components are connected, the system must be designed so the component operating at a lower pressure will not be overstressed. When asked to demonstrate that the lowest rated component was used in the MOP calculation, no documentation was produced.

2. §195.507 Recordkeeping

Each operator shall maintain records that demonstrate compliance with this subpart.

(a) Qualification records shall include:

- (1) Identification of qualified individual(s);**
- (2) Identification of the covered tasks the individual is qualified to perform;**
- (3) Date(s) of current qualification; and**
- (4) Qualification method(s).**

(b) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

Statoil failed to maintain records that demonstrated an individual's current qualification while the individual was performing the covered task. The Operator Qualification Solutions Group (OQSG) generic Abnormal Operating Condition (AOC) module is in Statoil's list of covered tasks but the corrosion technician's Operator Qualification (OQ) records showed he was not qualified. A valve maintenance contractor performed covered tasks, but had not taken the ISNETWORLD generic AOC module for Statoil.

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 item(s) identified in this letter. Failure to do so will result in Statoil & Gas, LP 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 3-2017-6010W**. 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