

July 13, 2018

Mr. Kirk Aubry
President and Chief Executive Officer
Savage Companies
901 West Legacy Center Way
Midvale, Utah 84047

Re: CPF No. 3-2018-5001

Dear Mr. Aubry:

Enclosed please find the Final Order issued in the above-referenced case to your subsidiary, Savage Bakken Connector, Inc. It makes a finding of violation and finds that Savage Bakken Connector, Inc., has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is effective as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Allan C. Beshore, Director, Central Region, Office of Pipeline Safety, PHMSA
Mr. Kelly J. Flint, Executive Vice President and General Counsel, Savage Bakken
Connector, Inc., 901 West Legacy Center Way, Midvale, Utah 84047

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

)	
In the Matter of)	
)	
Savage Bakken Connector, Inc.,)	
 a subsidiary of Savage Companies,)	CPF No. 3-2018-5001
)	
Respondent.)	
)	

FINAL ORDER

From March 28-29, 2017, and on December 8, 2017, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Savage Bakken Connector, Inc., (Savage or Respondent) in Williston, North Dakota. Savage, a subsidiary of Savage Companies, operates approximately two miles of a 10-inch interstate crude-oil pipeline in Williams County, North Dakota. The Savage Bakken Connector connects Savage Services Corporation’s Bakken Petroleum Services Hub in Trenton, North Dakota, to the Dakota Access Pipeline.¹

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated January 2, 2018, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Savage had violated 49 C.F.R. § 195.262(c) and proposed ordering Respondent to take certain measures to correct the alleged violation.

Savage responded to the Notice by letter dated January 22, 2018 (Response). The company did not contest the allegation of violation and agreed to complete the proposed compliance actions. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, Savage did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.262(c), which states:

§ 195.262 Pumping equipment.

(a)

¹ Savage website, *available at* <http://www.savageservices.com/solutions/oil-gas-services/savage-bakken-connector-inc-pipeline-tariffs/> (last accessed April 27, 2018).

(c) Each safety device must be tested under conditions approximating actual operations and found to function properly before the pumping station may be used.

The Notice alleged that Respondent violated 49 C.F.R. § 195.262(c) by failing to test its safety devices under conditions approximating actual operations before using its pumping station. Specifically, the Notice alleged that upon requesting records that documented each safety device had been tested under conditions approximating actual operations before using the pump station, Savage acknowledged by email that 14 pressure safety valves (PSVs) had not been tested under conditions approximating actual operations before using the pumping station. The Notice further alleged that Savage's Senior Project Manager confirmed by email dated October 16, 2017, that Savage had not performed secondary testing on the 14 PSVs prior to being installed.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.262(c) by failing to test its safety devices under conditions approximating actual operations before using its pumping station.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to **Item 1** in the Notice, for violation of 49 C.F.R. §195.262(c). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 195.262(c) (**Item 1**), Respondent has tested all safety devices under conditions approximating actual operations and submitted the testing records demonstrating that all 14 safety devices passed.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

July 13, 2018

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued