

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 26, 2019

Mr. Joe Bob Perkins
Chief Executive Officer
Targa Resources Operating, LLC
811 Louisiana, Suite 2100
Houston, Texas 77002

CPF 3-2019-6004W

Dear Mr. Perkins:

On June 26-28, July 24-26, and July 31-August 2, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your Saddle Butte crude oil pipeline system in 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 violations are:

1. **§195.404 Maps and records.**
 - (a) . . .
 - (b) **Each operator shall maintain for at least 3 years daily operating records that indicate—**
 - (1) **The discharge pressure at each pump station; . . .**

Targa failed to maintain, for at least 3 years, daily operating records which indicate the discharge pressure at each pump station. Specifically, Targa failed to provide daily operating records that showed pressure values for the Bridger Segment. Targa explained that this data was lost during an upgrade of the control system.

2. **§195.420 Valve maintenance.**

(a) . . .

(b) **Each operator shall, at intervals not exceeding 7 ½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.**

Targa failed to inspect each mainline valve to determine that it is functioning properly at intervals not exceeding 7 ½ months, but at least twice each calendar year. A review of Targa's records indicate the inspections performed on the following two valves were not completed at the required intervals:

1. On the DAPL Connect Line, records for a mainline valve showed it was inspected on July 24, 2017 and then again on May 17, 2018. This 10-month interval exceeded the 7 ½ months limit permitted under §195.420(b).
2. On the Huron 6" mainline valve, records were not provided to demonstrate that it had been inspected prior to November 11, 2017, despite being put into service in September of 2015. Therefore, inspections of this mainline valve were not performed for at least 3 inspection interval periods as required under §195.420(b).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. 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 Targa Resources Operating LLC 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 3-2019-6004W**. 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, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Copy:

Mr. Clark White
Executive VP Engineering and Ops
Targa Resources
811 Louisiana St., Suite 2100
Houston, TX 77002