

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY**

VIA ELECTRONIC MAIL TO: BradC@savageservices.com
justinanderson@savageservices.com and williamslaven@savageservices.com

August 17, 2021

Mr. Brad Crist
Sector President, Savage Energy & Chemical
Savage Bakken Connector, Inc.
901 W Legacy Center Way
Midvale, UT 84047

CPF 3-2021-015-NOPV

Dear Mr. Crist :

From February 18, 2020 through November 6, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Savage Bakken Connector Inc.'s hazardous liquid pipeline facilities and records 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 violations are:

1. § 194.117 Training.

(a)

(b) Each operator shall maintain a training record for each individual that has been trained as required by this section. These records must be maintained in the following manner as long as the individual is assigned duties under the response plan:

(1) Records for operator personnel must be maintained at the operator's headquarters; and

Savage Bakkan Connector, Inc. (Savage or Operator) failed to produce records satisfying the requirement for a drill program by following the National Preparedness for Response

Exercise Program (PREP) guidelines. Savage failed to maintain training records of individuals assigned duties under the response plan for the years 2017 through 2019. Specifically, Bakken failed to maintain the required training records associated with individuals involved in 16 PREP drills as detailed in the following table:

Required PREP for 2017 - 2019				
Required in 3 years		2017	2018	2019
Qualified Individual (QI) Notification Exercises	12	4 missing	5/20/2018, 9/6/2018 (2 missing)	8/14/2019 (3 missing)
Tabletop	3	1 missing	1 missing	1 missing
Unannounced	3	1 missing	5/20/2018	8/14/2019
Equipment	3	1 missing	1 missing	1 missing

2. § 195.61 National Pipeline Mapping System.

(a)

(b) This information must be submitted each year, on or before June 15, representing assets as of December 31 of the previous year. If no changes have occurred since the previous year's submission, the operator must refer to the information provided in the NPMS Operator Standards manual available at www.npms.phmsa.dot.gov or contact the PHMSA Geographic Information Systems Manager at (202) 366-4595.

Savage failed to submit annually, on or before June 15, GPS files representing assets as of December 31 of the previous year. As found in PHMSA's record review, Savage failed to file required NPMS submissions for 2017, 2018, and 2019.

3. § 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;

Savage failed to maintain records of actual pump station discharge pressures at each pump station. Savage provided records showing the daily average pressure, but did not have any records that indicated the discharge pressure at each pump station for 2018-2020.

4. § 195.589 What corrosion control information do I have to maintain?

(a)

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§ 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

Savage failed to maintain records for the 2019 annual cathodic protection survey. Specifically, Savage failed to provide inspection records for Rectifier T201, T202, T203, T204, and T205 for 2017, 2018 and 2019. A total of 70 inspection records were missing as shown in the table below:

Rectifier T201, T202, T203, T204, T205	Record Status	Comments
2017	Missing 20	
2018	Missing 20	
2019	Missing 30	

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. 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. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. We have reviewed the circumstances and supporting documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty of \$95,100 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$24,100
2	\$19,600
3	\$19,600
4	\$31,800

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. All material you submit in response to this enforcement action may be 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 3-2021-015-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Gregory A. Ochs
Director, Central Region OPS
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Response Options for Pipeline Operators in Enforcement Proceedings*

cc: Justin Anderson, Vice President, justinanderson@savageservices.com , 14891 42ND STREET NW, Williston, ND 58801

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