

March 18, 2022

VIA ELECTRONIC MAIL TO: heath.deneke@summitmidstream.com

Mr. J. Heath Deneke
President and CEO
Summit Midstream Partners, LLC
910 Louisiana Street, Suite 4200
Houston, Texas 77002

CPF No. 3-2021-070-NOPV

Dear Mr. Deneke:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Summit Midstream Partners, LLC (SMP), which was executed on March 15, 2022. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission and acknowledgement of receipt, or as otherwise provided under 49 C.F.R. § 190.5.

Sincerely,

Alan K Mayberry
Associate Administrator
for Pipeline Safety

Enclosures: Consent Agreement and Consent Order

Cc: Mr. Gregory Ochs, Director, Central Region, Office of Pipeline Safety, PHMSA
Ms. Susan Olenchuk, outside counsel for SMP, sam@vnf.com
Mr. John Griffin, in-house counsel for SMP, john.griffin@summitmidstream.com

CONFIRMATION OF RECEIPT REQUESTED

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

In the Matter of)	
)	
Summit Midstream Partners, LLC,)	CPF No. 3-2021-070-NOPV
)	
Respondent.)	
)	

CONSENT ORDER

By letter dated December 30, 2021, the Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety (PHMSA), issued a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice) to Summit Midstream Partners, LLC (SMP or Respondent).

In response to the Notice, SMP stated that it did not admit or deny the allegations as alleged in the Notice, but, for purposes of resolving the case, SMP agreed to accept the findings of violation, pay the proposed civil penalty in full, and to perform the corrective measures set forth in the proposed compliance order of the Notice.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Order. SMP is hereby ordered to comply with the terms of the Consent Agreement, effective immediately.

Pursuant to 49 U.S.C. 60101, *et seq.*, failure to comply with this Consent Order may result in the assessment of civil penalties as set forth in 49 C.F.R. § 190.223.

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

March 18, 2022

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued

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

In the Matter of)	
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Summit Midstream Partners, LLC,)	CPF No. 3-2021-070-NOPV
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Respondent.)	
)	

CONSENT AGREEMENT

On March 23, April 26 through 29, May 10 through 12, and June 8 through 10, 2021, 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 the records and field assets of Summit Midstream Partners, LLC (SMP), virtually and in Epping, North Dakota.

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated December 30, 2021, a Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that SMP had violated six provisions of 49 C.F.R. Part 195, proposed ordering Respondent to take certain measures to correct the alleged violations, and to pay a civil penalty in the amount of \$108,400.

On February 18, 2022, SMP contacted the Director and counsel for Central Region to request the opportunity to discuss the Notice informally prior to the deadline for filing a formal response. On February 22, 2022, SMP and PHMSA (the Parties) engaged in informal discussions regarding the Notice. During the call, SMP agreed that it would not contest the allegations of violation as set forth in the Notice, and would pay the proposed civil penalty in full and comply with the corrective measures detailed in the proposed compliance order. SMP further stated that it was neither admitting nor denying the allegations of violation in the Notice, but would accept the findings of violation and associated penalties and compliance actions to avoid further proceedings in this matter.

Having agreed that settlement of this enforcement action will avoid further administrative proceedings or litigation and will serve the public interest by promoting safety and protection of the environment, pursuant to 49 C.F.R. Part 190, and upon consent and agreement of SMP and PHMSA, the Parties hereby agree as follows:

I. General Provisions

1. SMP acknowledges that as the operator of the pipeline facilities subject to the Notice, Respondent and its referenced hazardous liquid pipeline facilities are subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Agreement, Respondent acknowledges that it received proper notice of PHMSA's action in this proceeding and that the Notice states claims upon which relief may be granted pursuant to 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder.

2. After SMP returns this signed Agreement to PHMSA, the Agency's representative will present it to the Associate Administrator for Pipeline Safety, recommending that the Associate Administrator adopt the terms of this Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of this Agreement

3. SMP consents to the issuance of the Consent Order, and hereby waives any further procedural requirements with respect to its issuance. SMP waives all rights to contest the adequacy of notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except as set forth herein.

4. This Agreement shall apply to and be binding upon PHMSA and SMP, its officers, directors, and employees, and its successors, assigns, or other entities or persons otherwise bound by law. SMP agrees to provide a copy of this Agreement and any incorporated work plans and schedules to all of SMP's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

5. This Agreement constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice.

6. Nothing in this Agreement affects or relieves SMP of its responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against SMP pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law.

7. For all transfers of ownership or operating responsibility of SMP's pipeline system referenced herein, SMP will provide a copy of this Agreement to the prospective transferee at least 30 days prior to such transfer. SMP will provide written notice of the transfer to the PHMSA Central Regional Director no later than 60 days after the transfer occurs.

8. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to SMP's pipeline systems. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. SMP remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

9. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of SMP or its officers, employees, or agents carrying out the work required by this Agreement. SMP agrees to hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondent or its contractors in carrying out any work required by this Agreement.

10. SMP neither admits nor denies any allegation or conclusion in the Notice or this Agreement, but agrees for purposes of this Agreement to comply with the terms of this Agreement.

11. Upon issuance of the Consent Order, the Parties agree to the following terms.

II. Findings of Violation:

12. *Items 1-6 of the Notice – 49 C.F.R. §§ 195.264(b)(1)(i) (Item 1); 195.404(c)(3) (Items 2 and 3); 195.436 (Item 4); and 195.452(l)(1)(ii) (Items 5 and 6).*

SMP does not contest the findings of violation for Items 1 through 6 of the Notice. The Parties acknowledge that PHMSA may choose to consider these Items as prior offenses in future PHMSA enforcement action taken against SMP.

III. Civil Penalty:

13. **Item 2 - \$24,500; Item 3 - \$34,600; Item 5 - \$24,100; and Item 6 - \$25,200.**

SMP shall pay a combined civil penalty in the amount of **\$108,400**.

IV. Compliance Order:

14. *Items 1 and 4 of the Notice - Compliance Actions:* SMP shall perform the following compliance actions, to be completed within **180 days** from the *Effective Date* of this Agreement:

(a) In regard to Item 1 of the Notice pertaining to slope around Stampede tank, SMP must re-slope to a 1% grade away from tank to 50 feet away or to berm whichever is closer.

(b) In regard to Item 4 of the Notice pertaining to security around Stampede tank, SMP must secure the facility.

V. Enforcement

15. This Agreement is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq.*, and 49 C.F.R. Part 190, including administrative civil penalties under 49 U.S.C. § 60122, of up to \$222,504 per violation for each day the violation continues and referral of the case to the Attorney General for judicial enforcement, if PHMSA determines that Respondent is not complying with the terms of this Agreement in accordance with determinations made by the Director, or if appealed, in accordance with decisions of the Associate Administrator. The maximum civil penalty amounts are adjusted annually for inflation. *See, e.g.*, Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties, 82 Fed. Reg. 19325 (April 27, 2017).

VI. Dispute Resolution

16. The Director and SMP will informally attempt to resolve any disputes arising under this Agreement, including but not limited to any decision of the Director. If SMP and the Director are unable to informally resolve the dispute within 15 calendar days after the dispute is first raised, in writing, to the Director, SMP may submit a written request for a determination resolving the dispute from the Associate Administrator for Pipeline Safety, PHMSA. Such request must be made in writing and provided to the Director, counsel for the Central Region, and to the Associate Administrator for Pipeline Safety, no later than 10 calendar days from the 15 day deadline for informal resolution referenced in this paragraph. Along with its request, SMP must provide the Associate Administrator with all information SMP believes is relevant to the dispute. Decisions of the Associate Administrator under this paragraph will constitute final agency action. The existence of a dispute and PHMSA's consideration of matters placed in dispute will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process, except as agreed by the Director or the Associate Administrator in writing, or ordered by a court of competent jurisdiction.

VII. Effective Date

17. The term "Effective Date," as used herein, is the date on which the Consent Order is issued by the Associate Administrator, PHMSA, incorporating the terms of this Agreement.

VIII. Modification

18. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by both parties.

IX. Ratification

19. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

20. The Parties hereby agree to all conditions and terms of this Agreement.

For Summit Midstream Partners, LLC:

Date

For PHMSA:

Gregory Ochs, Director, Central Region, OPS

Date
