

WARNING LETTER

VIA ELECTRONIC MAIL TO: Bob.Phillips@crestwoodlp.com,
Robert.Pettus@crestwoodlp.com and Justin.Davidson@crestwoodllp.com

December 10, 2021

Mr. Robert G. Phillips
President and Chief Executive Officer
Crestwood Equity Partners LP
811 Main Street, Suite 3400
Houston, Texas 77002

CPF 3-2021-100-WL

Dear Mr. Phillips:

From August 9 through 13, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected your Crestwood Arrow Crude Oil System (Crestwood) procedures, records, and field assets in Williston, North Dakota.

As a result of the inspection, it is alleged that Crestwood has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. § 195.208 Welding of supports and braces.

Supports or braces may not be welded directly to pipe that will be operated at a pressure of more than 100 p.s.i. (689 kPa) gage.

Crestwood failed to comply with § 195.208 as the welding of supports or braces may not be welded directly to pipe that will be operated at a pressure of more than 100 p.s.i. (689 kPa) gage. PHMSA, during the field audit of the Crestwood's pump station number 3 and Central Delivery Point, observed and photographed pipe supports welded directly to piping – a total of three (3) welded braces were found.

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.

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 identified in this letter. Failure to do so will result in Crestwood Equity Partners 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 3-2021-100-WL**. 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,

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

cc: Robert Pettus, Senior Manager, Construction & Pipeline Regulatory, Crestwood Equity Partners LP, Robert.Pettus@crestwoodlp.com

Justin Davidson, Pipeline Compliance Adviser, Crestwood Arrow Crude Oil System, Justin.Davidson@crestwoodllp.com