

## **WARNING LETTER**

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

March 31, 2015

Bill Henry  
Vice President  
Freeport LNG Development, L.P.  
333 Clay Street, Suite 5050  
Houston, Texas 77002

**CPF 4-2015-3001W**

Dear Mr. Henry:

On March 23, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code reviewed your information submitted in response to an incident that occurred at your LNG facility in Quintana, Texas.

As a result of the review and inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

**1. 191.5 Immediate notice of certain incidents.**

**(a) At the earliest practicable moment following discovery, each operator shall give notice in accordance with paragraph (b) of this section of each incident as defined in 191.3.**

Freeport LNG Development, L.P. (Freeport LNG) failed to make notice to the National Response Center at the earliest practicable moment following their February 19, 2015, incident in Quintana, Texas. Freeport LNG was performing maintenance within the LNG facility and a gasket began leaking and the Emergency Shutdown system (ESD) was activated.

Freeport LNG notified the NRC at 8:22 am on February 20, 2015, 11 hours and five minutes after the leak and shutdown at the facility at 9:17 am on February 19, 2015.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. Also, for LNG facilities, an additional penalty of not more than \$50,000 for each violation may be imposed. 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 Freeport LNG Development, L.P. 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 4-2015-3001W**. 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,

R. M. Seeley  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration