

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 8, 2016

Mr. Lawrence Rearick
Director, Pipeline Integrity
American Midstream Partners, LP
919 Milam Street, Suite #2450
Houston, TX 77002

CPF 4-2016-1014W

Dear Mr. Rearick:

On October 18-20, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code were onsite and inspected your Natchez Pipeline new construction project in Monroe, LA.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

2. §192.303 Compliance with specifications or standards.

- (a) Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.**

American Midstream failed to comply with Section 12.4.1.1 of their Pipeline Construction Specification agreement. Section 12.4.1.1 states that “coated pipe shall be handled with belt or canvas slings at least as wide as the pipe diameter.”

During the field inspection of the Natchez Pipeline, PHMSA inspectors noted that the pipe being lowered into the trench was not being handled in accordance with the construction specifications. Specifically, the pipe was being lowered with canvas straps that did not meet the minimum width standards as per the construction specifications.

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. 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(s) identified in this letter. Failure to do so will result in American Midstream 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 4-2016-1014W**. 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