

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

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<b>In the Matter of</b>	)	
	)	
<b>Chaparral Energy, L.L.C.,</b>	)	<b>CPF No. 4-2016-5029</b>
	)	
<b>Respondent.</b>	)	
	)	

**CHAPARRAL ENERGY, L.L.C.  
REQUEST FOR TELEPHONIC HEARING  
AND STATEMENT OF ISSUES**

Chaparral Energy, L.L.C. (“Chaparral”) respectfully submits this Request for Telephonic Hearing and Statement of Issues in response to the Notice of Probable Violation and Proposed Civil Penalty in CPF No. 4-2016-5029 (the “NOPV”) received by mail on August 15, 2016.

Pursuant to 49 CFR §§ 190.211(b) and (c), Chaparral requests the telephonic hearing specifically with respect to Item 7 of the NOPV (49 CFR § 195.577(a)). Chaparral does not contest Items 1 through 6 of the NOPV, and is taking appropriate action to correct each of those Items. Chaparral will be represented by the undersigned counsel at the hearing. Chaparral will provide for transcription of the hearing at its own cost.

**Statement of Issues – Item 7**

Chaparral intends to address the following issues at the hearing that impact the alleged violation and Proposed Civil Penalty:

1. Chaparral’s activities to evaluate the effects of stray current interference on its Coffeyville pipeline system;
2. Interference bond installation on the Coffeyville system to mitigate stray current from the Southern Star pipeline system (the parallel pipeline system in the vicinity of the two accidents referenced in the NOPV and Violation Report);

3. Documentation of the stray current evaluation and interference bonding installation demonstrated in third-party reports and other materials;
4. Insufficiency of the evidence in the Violation Report and Exhibit G to satisfy PHMSA's burden of proof and burden of persuasion;
5. Inaccuracies in the Violation Report, and incompleteness of Exhibit G;
6. Appropriateness of the Proposed Civil Penalty under the 49 CFR § 190.225 assessment considerations, including potential penalty additions or multipliers related to the referenced pipeline accidents; and
7. Availability of information regarding the calculation of, and methodology of calculating, the Proposed Civil Penalty.

### **Information Request**

There is information that is relevant to the Proposed Civil Penalty that is exclusively within the control of PHMSA and has not yet been made available to Chaparral. This information has been used or relied upon by PHMSA in (a) crafting, compiling and finalizing the Pipeline Safety Violation Report, and (b) determining the amount of the Proposed Civil Penalty. This information was relied upon by PHMSA in making its allegations and proposed violations and penalties, and is necessary to understand the agency's decision-making process. This information will provide additional facts that will assist in determining whether the proposed violations and penalties are arbitrary and capricious. The information is also necessary for Chaparral to have an adequate opportunity to prepare and develop its defense to PHMSA's alleged violations and penalties. The absence of this information renders the administrative record incomplete.

Chaparral hereby respectfully requests the following information in advance of the requested hearing:

1. Copies of any penalty calculation worksheets and workpapers related to or relied upon in calculating the Proposed Civil Penalty;
2. Copies of any documents, computer files, excel spreadsheets or other records prepared or received by any PHMSA employee that was used or relied upon to develop the Proposed Civil Penalty, including but not limited to instructions, guidance, manuals, directions, procedures or

any other documents that Office of Pipeline Safety staff relied on for such purpose;

3. Copies of any documents, computer files, excel spreadsheets or other records that were disseminated to or received by a PHMSA employee in the course of receiving training or development related to how to calculate a proposed civil penalty under 49 U.S.C. § 60122(b) and 49 CFR § 190.225;
4. Copies of any documents, computer files, excel spreadsheets or other records prepared by, received by, or made available to PHMSA's Enforcement Director or Compliance Officer related to the Proposed Civil Penalty, including but not limited to records related to training classes or courses given by or attended by such personnel regarding how to calculate a proposed civil penalty under 49 U.S.C. § 60122(b) and 49 CFR § 190.225;
5. Copies of any documents or other records that have been provided to or made available to Region employees regarding how to complete Part E of a Pipeline Safety Violation Report, including but not limited to instructions, guidance, manuals, directions, procedures or any other documents that Office of Pipeline Safety staff rely upon for such purpose; and
6. Copies of any documents, computer files, excel spreadsheets or other records that have been provided to or made available to the Presiding Official or Associate Administrator in any case involving a proposed civil penalty against Chaparral Energy, including but not limited to administrative staff manuals, instructions, guidance, directions, or procedures regarding how a civil penalty (or proposed civil penalty) is calculated under 49 U.S.C. § 60122(b) and 49 CFR § 190.225.

### **Reservation of Rights**

Chaparral reserves its right to supplement this response as necessary prior to the hearing, and to add, remove or more fully describe issues based upon the inclusion or omission of responsive evidence or materials in the Case File.

Respectfully submitted,

/s/

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*Counsel for Chaparral Energy, L.L.C.*

Dated: September 14, 2016