

August 29, 2019

Mr. Louis Denetsosie
Chief Executive Officer and President
Navajo Nation Oil and Gas Company
50 Narbono Circle West
St. Michaels, Arizona 86511

Re: CPF No. 4-2017-5009

Dear Mr. Denetsosie:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and finds that Navajo Nation Oil and Gas Company has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is effective upon the date of mailing, as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ms. Mary McDaniel, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Mr. Joseph P. Robertson, P.E., Director of Pipeline Operations, Navajo Nation Oil and
Gas Company, P.O. Box 4439, Window Rock, Arizona 86515

CERTIFIED MAIL - RETURN 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)

Navajo Nation Oil and Gas Company,)

Respondent.)
_____)

CPF No. 4-2017-5009

FINAL ORDER

From January 1, 2014 through December 31, 2016, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Navajo Nation Oil and Gas Company (NNOGC or Respondent), in Farmington, New Mexico. NNOGC operates oil and natural gas facilities in New Mexico, Colorado, Arizona, and Utah.¹

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated April 6, 2017, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that NNOGC had violated 49 C.F.R. § 194.101(a) and proposed ordering Respondent to take certain measures to correct the alleged violation.

NNOGC responded to the Notice by letter dated May 9, 2017 (Response). The company did not contest the allegation of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, NNOGC did not contest the allegation in the Notice that it violated 49 C.F.R. Part 194, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 194.101(a), which states:

¹ Navajo Nation Oil and Gas Company website, available at <http://www.nnogc.com/about-us.html> (last accessed July 17, 2019).

§ 194.101 Operators required to submit plans.

(a) Except as provided in paragraph (b) of this section, unless OPS grants a request from an Federal On-Scene Coordinator (FOOSC) to require an operator of a pipeline in paragraph (b) to submit a response plan, each operator of an onshore pipeline facility shall prepare and submit a response plan to PHMSA as provided in §194.119. A pipeline which does not meet the criteria for significant and substantial harm as defined in §194.103(c) and is not eligible for an exception under §194.101(b), can be expected to cause substantial harm. Operators of substantial harm pipeline facilities must prepare and submit plans to PHMSA for review.

The Notice alleged that Respondent violated 49 C.F.R. § 194.101(a) by failing to submit an oil-spill response plan to PHMSA. Specifically, the Notice alleged that NNOGC had operated the Running Horse Pipeline, a crude oil pipeline subject to Part 194, since approximately 1998 but had never submitted an oil-spill response plan to PHMSA as required by §§ 194.101(a) and 194.119.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 194.101(a) by failing to submit an oil-spill response plan to PHMSA.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 194.101(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that on May 10, 2017, Respondent submitted an oil-spill response plan for the Running Horse Pipeline to PHMSA.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

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

August 29, 2019

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued