

March 29, 2018

Mr. David Dunwoody
President
EnVen Energy Ventures, LLC
333 Clay Street, Suite 4200
Houston, Texas 77002

Re: CPF No. 4-2017-5012

Dear Mr. Dunwoody:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and specifies actions that need to be taken by EnVen Energy Ventures, LLC, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Southwest Region, this enforcement action will be 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: Director, Southwest Region, Office of Pipeline Safety, PHMSA
Mr. David Helminiak, Health, Safety and Environmental Manager, EnVen Energy
Ventures, LLC, 333 Clay Street, Suite 4200, Houston, Texas 77002

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)	
)	
EnVen Energy Ventures, LLC,)	CPF No. 4-2017-5012
)	
Respondent.)	
)	

FINAL ORDER

From November 14-17, 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 EnVen Energy Ventures, LLC’s (EnVen or Respondent) Cognac Pipeline Offshore Liquid System (Cognac Pipeline), located off the shore of Louisiana. The EnVen Cognac Pipeline transports crude oil and consists of approximately 28 miles of 12-inch coated steel piping that extends from Mississippi Canyon Block 194 Platform in the Gulf of Mexico to the East Bay Central facility on the Southwest Pass of the Mississippi River Delta.¹ EnVen engages in the production of oil and gas and related hydrocarbons in the Gulf of Mexico.²

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated April 11, 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 EnVen had violated 49 C.F.R. § 195.573 and proposed ordering Respondent to take certain measures to correct the alleged violation.

EnVen responded to the Notice by letter dated May 8, 2017 (Response). In its Response, the company did not contest the allegation of violation or the proposed compliance order. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, EnVen did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

¹ Pipeline Safety Violation Report, (on file with PHMSA), at 1.

² EnVen website, available at <http://www.enven.com/index.html> (last accessed January 29, 2018).

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.573(c), which states:

§ 195.573 What must I do to monitor external corrosion control?

(a) ...

(c) *Rectifiers and other devices.* You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device	Check Frequency
Rectifier..... Reverse current switch. Diode. Interference bond whose failure would jeopardize structural protection	At least six times each calendar year, but with intervals not exceeding 2 ½ months.
Other interference bond	At least once each calendar year, but with intervals not exceeding 15 months.

The Notice alleged that Respondent violated 49 C.F.R. § 195.573(c) by failing to perform electrical checks for proper performance of each rectifier providing cathodic protection to the Cognac Pipeline at least six times each calendar year, but with intervals not exceeding 2 ½ months. Specifically, the Notice alleged that EnVen personnel stated that EnVen did not own the rectifier providing cathodic protection to its system and therefore did not have documentation to determine whether the required checks were performed.

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. § 195.573(c) by failing to perform electrical checks for proper performance of each rectifier providing cathodic protection to the Cognac Pipeline at least six times each calendar year, but with intervals not exceeding 2½ months.

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 the violation of 49 C.F.R. § 195.573(c). 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. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.573(c) (**Item 1**), Respondent must perform an inspection of the rectifiers protecting the Cognac Pipeline to ensure continued cathodic protection. Alternatively, Respondent must institute a process for the future receipt of rectifier electrical-check inspection records to ensure proper operation.
2. Respondent shall complete **Item 1** within 60 days after receipt of the Final Order. The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

It is requested that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. It is requested that these costs be reported in two categories: (1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and (2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

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

March 29, 2018

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued