

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 4, 2017

Robert Shain
Senior Vice President of Engineering
Frontier Energy Services, LLC
4200 E. Skelly Dr. Suite 400
Tulsa, OK 74135

CPF 4-2017-5017W

Dear Mr. Shain:

Following a reportable accident that occurred on February 11, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, reviewed the written accident report (PHMSA F 7000-1) filed by Frontier and interviewed your employee as part of the investigation.

As a result of the investigation, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §195.52 Immediate notice of certain accidents.

- (a) Notice requirements. At the earliest practicable moment following discovery of a release of the hazardous liquid or carbon dioxide transported resulting in an event described in §195.50, the operator of the system must give notice, in accordance with paragraph (b) of this section, of any failure that:

- (3) Caused estimated property damage, including cost of cleanup and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding \$50,000;

Frontier failed to make a notification to the National Response Center for the accident which occurred on February 11, 2016, which met the reporting requirements under paragraph (a)(3).

An interview with the Frontier employee confirmed that no NRC notification was made at the time of this accident due to a misunderstanding of the reporting requirements. Notification was not made upon discovery of this violation as remediation of the spill had already been completed.

2. §195.54 Accident Reports

- (a) **Each operator that experiences an accident that is required to be reported under §195.50 must, as soon as practicable, but not later than 30 days after discovery of the accident, file an accident report on DOT Form 7000-1.**

Frontier failed to file an accident report within 30 days of an accident requiring a report under §195.50.

On July 6, 2016, Frontier filed a written accident report (PHMSA F 7000-1) for an accident which occurred on February 11, 2016. PHMSA conducted an interview with the Frontier employee who filed the report. The investigation revealed that there was a misunderstanding of PHMSA reporting requirements within the company and the report was filed when he became aware of the requirements.

3. §195.422 Pipeline repairs.

- (a) **Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.**

Frontier personnel failed to insure that the repairs made to their Holly Station were made in a safe manner. Frontier utilized contract employees to perform a repair on a leaking seal pump at the Holly Station in Eddy County, New Mexico. Upon completion of the repair, the contract employees left the drain valve open which allowed product to later be released from the pipeline. The failure to properly repair the pump seal in accordance with §195.422(a) resulted in a reportable accident.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$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 items identified in this letter. Failure to do so will result in Frontier Energy Services LLC 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 4-2017-5017W**. 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,

Terri J. Binns
Acting Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration