

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 16, 2018

Robert Cronk
Vice President, Technical Services
Williams Field Services-Gulf Coast Company, LP
One Williams Center
Tulsa, Oklahoma 74101

CPF 4-2018-2001

Dear Mr. Cronk:

From January 24, 2017 through July 10, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected Williams Field Services-Gulf Coast Company, LP's plans and records for operations and maintenance in Houston, Texas, and conducted field evaluation of its offshore Seahawk Gas Gathering System West Gulf Coast assets.

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 violations are:

- 1. 192.613 Continuing Surveillance.**
 - (a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.**

192.605 Procedural manual for operations, maintenance, and emergencies.

(e) Surveillance, emergency response, and accident investigation. The procedures required by §192.613(a), §192.615, and §192.617 must be included in the manual required by paragraph (a) of this section.

Williams failed to have a procedure to address continuing surveillance of its pipeline facilities as required by § 192.613 (a).

During the audit, Williams was not able to provide a procedure for Continuing Surveillance as per 192.613(a). The Operator informed PHMSA they are in the process of drafting a Continuing Surveillance procedure to be added to the manuals during the 2017 annual review.

2. §192.605 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Williams did not have a procedure to address the steps needed to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion as per §192.751(a).

During the inspection, Williams provided their written Hot Work procedure 5.05-ADM-021 and Form WES-96 Permit to Work to the PHMSA inspector for review. The procedure and form provided by the operator only address the precautions after issuing a hot permit. Williams did not have procedures to address minimizing danger of accidental ignition as required.

3. §192.477 Internal corrosion control: Monitoring.

If corrosive gas is being transported, coupons or other suitable means must be used to determine the effectiveness of the steps taken to minimize internal corrosion. Each coupon or other means of monitoring internal corrosion must be checked two times each calendar year, but with interval not exceeding 7 1/2 months.

The operator failed to inspect coupons two times each calendar year, but with intervals not exceeding 7 ½ months, as required per the Internal Corrosion Control Program 7.05-ADM-008, Rev. 8 Section 2.3.3.

During the audit, the PHMSA inspector reviewed William's current procedure, Internal Corrosion Control Program 7.05-ADM-008 Rev. 8, Section 2.3.3 and the associated coupon reports. On multiple occasions, the Operator failed to inspect coupons on the segments listed below two times each calendar year, but with interval not exceeding 7 1/2 months.

- Perdido Oil Sales Line Coupon CC-9010-03. Inspections recorded for 7/2013, 6/2014, 2/2015, 11/2015, and 05/2016.
- Perdido Sales Gas to Pig Launcher CC-8020-13. Inspections recorded for 6/2013, 2/2015, 11/2015, and 05/2016.
- Perdido Sales Gas to Pig Launcher CC-8020-14. Inspections recorded for 6/2013, 2/2015, 11/2015, and 05/2016.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, 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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of **\$60,800** as follows:

<u>Item number</u>	<u>PENALTY</u>
3	\$60,800

Proposed Compliance Order

With respect to items 1, and 2 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Williams Field Services-Gulf Coast Company, L.P. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 4-2018-2001** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Williams Field Services-Gulf Coast Company, L.P. a Compliance Order incorporating the following remedial requirements to ensure the compliance of Williams Field Services-Gulf Coast Company, L.P. with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the failure to provide procedures addressing continuing surveillance of pipeline facilities, Williams Field Services must include the procedures in their manual to fulfill 192.613 (a). This must be completed within 30 days of after receipt of the Final Order.
2. In regard to Item Number 2 of the Notice pertaining to the failure to provide procedures addressing the steps to minimize the danger of accidental ignition of gas in any structure, Williams Field Services must include the procedures in their manual to fulfill 192.751 (a). This must be completed within 30 days of after receipt of the Final Order.
3. It is requested (not mandated) that Williams Field Services-Gulf Coast Company, L.P. maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary L. McDaniel, P.E., Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. 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.