

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 17, 2018

Jeff Gifford
Vice President, HSSE
GEL Offshore Pipeline, LLC
919 Milam Street, Suite 2100
Houston, Texas 77002

CPF 4-2018-7001W

Dear Mr. Gifford:

During the month of February 2015, 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 your GEL Offshore Pipeline, LLC (GEL) in the Gulf of Mexico. At the time of the inspection, GEL indicated that the offshore services, routine and non-routine maintenance activities, had been contracted to Enterprise Products Operating LLC (Enterprise) using Enterprise procedures under PHMSA OPID # 31618.

As a result of the inspection, it appears that GEL has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §195.402 Procedural Manual for Operations, Maintenance, and Emergencies

- (a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and**

appropriate changes made as necessary to ensure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

GEL failed to follow the written Enterprise O&M procedure Section 702 Investigation of Failure and Procedure 2.4 of the Enterprise Safety Policies Manual to conduct a post-accident investigation following an accident occurring May 12, 2014, as required by §195.402(c)(5).

On May 12, 2014, GEL reported an accident to the National Response Center (NRC #1082483). The accident took place on the Outer Continental Shelf (OCS), Platform VR-331A, at the splash zone on an 8” riser.

During the inspection, PHMSA requested GEL to provide the post-accident review for the May 12, 2014 accident. GEL was unable to provide the post-accident review.

2. §195.452 Pipeline integrity management in high consequence areas.

- (a) *Which pipelines are covered by this section?* This section applies to each hazardous liquid pipeline and carbon dioxide pipeline that could affect a high consequence area, including any pipeline located in a high consequence area unless the operator effectively demonstrates by risk assessment that the pipeline could not affect the area. (Appendix C of this part provides guidance on determining if a pipeline could affect a high consequence area.)**

GEL failed to identify and document the applicability of Pipeline Integrity Management in high consequence areas (HCA) for their offshore pipeline system as defined by §195.452(a) and Appendix C.

At the time of the inspection, GEL had not completed the identification of all pipeline segments subject to the IMP for the GEL Offshore pipeline (segment 8178, Segment 5854, Segment 4037 and Segment 4038). Following the inspection, GEL provided documentation to support the evaluation of all of their operating segments.

3. § 195.579 What must I do to mitigate internal corrosion?

- (a) General. If you transport any hazardous liquid or carbon dioxide that would corrode the pipeline, you must investigate the corrosive effect of the hazardous liquid or carbon dioxide on the pipeline and take adequate steps to mitigate internal corrosion.**

GEL failed to investigate the corrosive effect of the hazardous liquid on the pipeline and take adequate steps to mitigate internal corrosion. GEL did not provide records to validate an investigation as required by § 195.589 (c).

During the inspection, PHMSA requested GEL to provide the corrosion control monitoring records (2012, 2013, and 2014) to ensure that the offshore pipelines are being monitored for internal corrosion. GEL responded that their pipelines have not had a monitoring system for internal corrosion since 2012 when it was acquired from Marathon Pipeline. GEL stated they do not use corrosion inhibitor or perform periodic product analysis. PHMSA discovered GEL installed two corrosion coupons on February 6, 2015. The coupon installation was on the last day of the PHMSA inspection and has provided records to demonstrate the coupons have been inspected since their installation.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. 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. 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 item(s) identified in this letter. Failure to do so will result in GEL Offshore Pipeline, 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 4-2018-7001W**. 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,

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