



February 26, 2019

Ms. Mary McDaniel
Director, Southwest Region, PHMSA
Pipeline and Hazardous Materials Safety Administration
8701 S. Gessner, Suite 630
Houston, Texas 77074

RE: CPF 4-2019-2001
(39352) Genesis Offshore Holdings, LLC (Genesis)
2017 Offshore Natural Gas Inspection
Response to NOPVs and Compliance Order

Dear Ms. McDaniel:

On March 6, 2017 through June 12, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) conducted an inspection of the Genesis Offshore Holdings, LLC written operations and maintenance (O&M) procedures, records, and offshore facilities. As a result of the inspection, alleged probable violations were identified relative to 49 CFR 192.605 and 195.479.

Genesis elects to respond to the three alleged probable violations and compliance order below. Genesis Compliance and Operations has made updates to its manuals since the inspection in 2017. These pipeline segments are managed and maintained under the *Genesis Energy Natural Gas Operations, Maintenance, and Emergency Procedures Manual* (GOM&E).

Item #1, 192.605(c)(4)

Genesis Liquids OM Manual, Section 300, specifically 1.3.3 Review for Effectiveness directs the Operation managers to periodically review the response of operating personnel to determine the effectiveness of the procedures followed during abnormal operations. The review will include the action of the operators involved as well as the procedures. Refer to Section 200, Item 1.7 Guide Flowchart 601.02 Review of Work Performed for AOC Effectiveness for an illustration of the process and 601.03 - Review of Work Performed for Procedural Effectiveness Form to use for documenting this review.

Item #1, Documentation

Step by step guidance can be found in Section 201; 1.2.1 thru 1.2.12. The full OM Sections above can be made available upon request.

Typical methods for selection of those procedures to be reviewed may include, but are not limited to the following:

- Randomly Selected
- Result of an Incident, Failure, Near Miss, or Abnormal Operating Condition
- New Procedure
- Equipment Changes
- Personnel Request

This review may be conducted by one or more of the following methods:

- In the field
- During mock drills
- During involvement with regulatory pre-audits and audits
- Hands-on training/Simulations
- Classroom setting
- Other acceptable methods.

The effectiveness and adequacy of the selected procedures are confirmed when the review indicates continued safe and normal operations and maintenance. In addition, the review of abnormal operating procedures (See Section 301) is confirmed to be effective and adequate when the review indicates correct recognition, response and minimizing reoccurrence of the condition.

At any time that an operating, maintenance, or abnormal operating procedure is determined to be ineffective and inadequate, the HSSE Compliance Group shall be notified by submittal of the form within Section 201. Personnel submitting the identified deficiency must forward 601.03 - Review of Work Performed for Procedural Effectiveness Form and any supporting documentation and proposed changes to the procedure(s) to the HSSE Compliance Group within 90 days of identifying the deficiency. Proposed changes will be reviewed by the HSSE Compliance Group and may be referred to the Subject Matter Expert(s) for further review.

Since the 2017 inspection there have been two reviews, the subsequent reviews will also be included in Plan of Correction Attachment, Item 1. These reviews illustrate that Operations management has continued to review the Gas OM Manual for effectiveness.

Item #2, 192.605(a)

Genesis Liquids OM Manual, Section 300, specifically 1.3.3 Review for Effectiveness directs the Operation managers to periodically review the response of operating personnel to determine the effectiveness of the procedures followed during abnormal operations.

In paragraph 1.3.3.2, if deficiencies are found, corrective action shall be taken to improve the response effort. This will include modifying the procedures as necessary, further training, or any other change which will enhance the company's ability to maintain operational control under similar abnormal operation conditions in the future.

If AOCs are discovered by Genesis Operations Personnel, the representatives shall refer to 810.01 – Report of Abnormal Operating Conditions to document identified AOCs. A copy of the form will be provided in the Plan of Correction Attachment, Item 2.

Item #2, Documentation

Genesis Control Room generates a different reporting format; as seen in Table 1 below. Genesis Control Room provided an example of an AOC to the inspector during the integrated inspection. This information was provided to the PHMSA inspector during the 2017 inspection which also illustrates Operations field feedback.

Since the inspection Genesis Control Room management conducts a conference call weekly to go over the latest AOCs, Corrected AOCs, and those that are outstanding.

Table 1

32					CONTROL	Occ asked mark if he can get on rate.
33	9/27/2016	6:22 AM	V	HROS	HIA264	Occ called on A/C power fail at HIA 573M. No answer, will call back.
34	9/27/2016	6:42 AM	V	VK	VEB17	Steve asked if its okay for stone to come back on. Okay with OCC, will closely monitor pressure.
35	9/27/2016	6:58 AM	A	HROS	HIA264	Informed Arthur of AC power fail at HIA573M. They previously worked on generator fuel solenoid. Will fly back out there to work on Generators.
36	9/27/2016	8:00 AM			OCC	Walked the line
37	9/27/2016	10:00 AM			OCC	Walked the line
38	9/27/2016	10:52 AM	V	HROS	HIA264	Arthur launched PWG to wcc 167 @ 10:48 AM
39	9/27/2016	11:34 AM	V	HROS	HIA573M	Mike working on generators that failed wich caused AC power fail alarm
40	9/27/2016	12:00 PM			OCC	Walked the line

Table 1 - During the 2017 Offshore Inspection, examples of the communication controllers log illustrates the communication process and the track-ability of the communication to and from the field. In Table 1, shows the date and time of the AOC event (A)[see arrow above], location of the AOC (HI 264), and the AOC was due to a power failure. Additionally, the correspondence (V) with area management is highlighted in the rows below documenting the work to repair the power failure is underway. To close the AOC regarding the same event is (shown below highlighted), is the correspondence to the Control Center console controller showing area management was informed and AOC was corrected.

Item #3, 192.479(a)

Since the 2017 inspection, Genesis Offshore Operations has completed the repairs to HI 573, valve area HVLT-301D and HVRT-304A in the Plan of Correction Attachment, Item 3 of this report. The completion of this project was July 27, 2018.

Photographs of the repairs shall be made available in the Plan of Correction Attachment, Item 3 of this report.

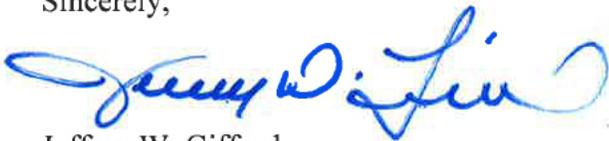
Item #3, Documentation

- Sump Vessel and Piping– 100% complete
- 30” Riser to High Island 264 – 100% Complete
- 20” Riser from AC-25, 16” from High Island 573-B, & Southwest Leg – 100% Complete
- 12” Riser from High Island 384 – 100% Complete
- East Stairway to Sub Cellar Landing – 100% Complete
- West Stairway to Sub Cellar Landing – 100% Complete
- Stairway to Waterline – 100 % complete
- Boat Landing– 100% complete

Genesis procedures referenced herein shall be made available to PHMSA upon request. We appreciate the opportunity to work with the Pipeline and Hazardous Materials Safety Administration regarding the safe operation of our pipelines.

If you have any questions or comments, please feel free to contact me directly at 713-860-2542 or by e-mail at Jeff.Gifford@genlp.com.

Sincerely,



Jeffrey W. Gifford
Vice President, HSSE