

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 30, 2019

Patrick Eiland
Senior Vice President, HSE and Regulatory
Fieldwood Energy, LLC
2000 W Sam Houston Pkwy S.
Suite 1200
Houston TX 77042

CPF 4-2019-2002M

Dear Mr. Eiland:

From April 1, 2019 to May 24, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Fieldwood Energy, LLC (Fieldwood Energy) procedures for Operations and Maintenance in Lafayette, Louisiana.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Fieldwood Energy's plans or procedures, as described below:

1. §191.5 Immediate notice of certain incidents.

(b) Each notice required by paragraph (a) of this section must be made to the National Response Center either by telephone to 800-424-8802 (in Washington, DC, 202 267-2675) or electronically at <http://www.nrc.uscg.mil> and must include the following information:

- (1) Names of operator and person making report and their telephone numbers.**
- (2) The location of the incident.**
- (3) The time of the incident.**
- (4) The number of fatalities and personal injuries, if any.**
- (5) All other significant facts that are known by the operator that are relevant to the cause of the incident or extent of the damages.**

Fieldwood Energy's O&M Procedure, Section 6 Chapter 4: DOT Accident Reporting was found to be inadequate. The procedure includes guidance for the release of a hazardous liquid or carbon dioxide, but does not include natural gas in the list of commodities that require reporting incidents to the National Response Center, and does not include required information for reporting a release of natural gas.

Fieldwood Energy must amend its procedures to ensure that the DOT incident/accident reporting requirements include guidance for natural gas in accordance with 49 CFR Part 191-Transportation of Natural and Other Gas by Pipeline; Annual Reports, Incident Reports, and Safety Related Conditions.

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

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

- (2) Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.**

Fieldwood Energy's O&M Procedure, Section 4 Chapter 1: Corrosion Control Program was found to be inadequate. Fieldwood Energy's Corrosion Control Program procedure states during inspections, condition of the coating shall be noted and reported. The Corrosion Control Program procedure also states that atmospheric corrosion discovered during inspection shall be evaluated and remediated where required to maintain adequate protection. Although the procedure does provide a requirement to conduct atmospheric corrosion inspections, it does not include the grading criteria used to document atmospheric corrosion inspections. Fieldwood Energy uses a two-tier grading criteria for atmospheric corrosion: type of damage and grade of damage. Types of atmospheric damage is listed as follows: 1-disbonding, 2-cracking, 3-peeling, 4-blistering, 5-rust stains, 6-algae, dirt, grease, and 7-other. Grade of damage is listed as follows: A-coating damage less than 2% no touch up required), B-2-5% coating damage (some touch up required), C-5-10% coating damage (considerable touch up required) and D-critical damage exceeds 10% (complete recoating required). None of the above criteria is included in the Corrosion Control Program procedure and is only listed on the Atmospheric Survey Form.

Fieldwood Energy must amend its procedures to ensure that the procedure provides safety during maintenance and operations for controlling corrosion. The procedure must be amended to provide detailed information of how the atmospheric corrosion grading criteria will be implemented.

3. §192.465 External corrosion control: Monitoring.

(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

Fieldwood Energy's O&M Procedure, Section 4 Chapter 1: Corrosion Control Program was found to be inadequate. Fieldwood Energy's procedure states that should a test lead be found damaged or defective, the test lead must be repaired in a reasonable time period. The procedure should define "a reasonable time period." Fieldwood Energy's Corrosion control procedure should be also be amended to define "a reasonable time period" for all corrosion control deficiencies found.

Fieldwood Energy must amend its procedures to ensure that there is a requirement for the operator to take prompt remedial action to correct any deficiencies indicated by the monitoring.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Fieldwood Energy maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Mary L. McDaniel, P.E., Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2019-2002M** 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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*