April 15, 2019

Mary L. McDaniel, P.E.
Director, Southwest Region
U.S. Department of Transportation
8701 S. Gessner, Suite 630
Houston, TX 77074

SUBJECT: CPF-4-2019-5007, Notice of Probable Violation and Proposed Compliance Order

Ms. McDaniel,

Fieldwood received the above listed Notice of Probable Violation and Proposed Compliance Order.

PHMSA proposed to issue a Compliance Order to Fieldwood Energy, LLC for items #4 and #5 in the letter.

Fieldwood is notifying your office that we intend to take actions in the proposed compliance order and correct our processes and procedures for these items. Copied below for reference:

4. §195.452 Pipeline integrity management in high consequence areas.
   (c) What are the risk factors for establishing an assessment schedule (for both the baseline and continual integrity assessments)?
   (i) An operator must establish an integrity assessment schedule that prioritizes pipeline segments for assessment (see paragraphs (d)(1) and (j)(3)
   of this section). An operator must base the assessment schedule on all risk factors that reflect the risk conditions on the pipeline segment. The factors an
   operator must consider include, but are not limited to:
   (i) Results of the previous integrity assessment, defect type and size that the
   assessment method can detect, and defect growth rate;
   (ii) Pipe size, material, manufacturing information, coating type and
   condition, and seam type;
   (iii) Leak history, repair history and cathodic protection history;
   (iv) Product transported;
   (v) Operating stress level;
   (vi) Existing or projected activities in the area;
   (vii) Local environmental factors that could affect the pipeline (e.g.,
   seismicity, corrosivity of soil, subsidence, climate);
   (viii) geo-technical hazards; and
   (ix) Physical support of the segment such as by a cable suspension bridge.

Fieldwood Energy failed to establish an integrity assessment schedule that prioritizes pipeline segments for assessment based on all risk factors reflecting the risk conditions on the pipeline segment as required by §195.452. Fieldwood Energy based their assessment schedule on an email from Fieldwood Energy’s Construction Senior Advisor, stating that their testing frequency should remain at 5-year intervals based on the successful hydrotesting thus far and that no pipelines have failed hydrotests since Fieldwood Energy started IMP Management.
5. §195.452 Pipeline integrity management in high consequence areas.

(1) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(8) A process for review of integrity assessment results and information analysis by a person qualified to evaluate the results and information (see paragraph (b)(2) of this section).

Fieldwood Energy failed to adequately document the qualifications required by Fieldwood Energy personnel who are responsible for conducting integrity assessment results and information analysis. In the Fieldwood Energy IMP Team Qualification Process, it discusses what qualifications are required by in-house and third party personnel in order to review and evaluate integrity assessment results. These include the following knowledge requirements: principles of pipe manufacture, basic strength design of pipe, pressure testing of pipelines, risk based techniques for the prioritization of integrity work, inspection and monitoring methods including in-line inspection, and defect assessment and the evaluation of remaining strength of damaged pipe, etc.

When the PHMSA Inspector requested to see the qualifications of Fieldwood Energy employees responsible for reviewing and evaluating integrity assessment results and information analysis, they provided a brief biographic summary paragraph for two employees. The summary paragraphs did not adequately show that these two employees are qualified to review and evaluate integrity assessment results.

Please contact me at (337) 354-8015 or via email at trisha.hackett@fwellc.com with any questions or concerns.

Sincerely,

Trisha Hackett
Compliance Coordinator