

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 16, 2019

Scott Schingen
Vice President NGL Operations
Oneok NGL Pipeline, LLC
100 West Fifth Street
Tulsa, Oklahoma 74103

CPF 4-2019-5017

Dear Mr. Schingen:

From October 15, 2018 to March 20, 2019, 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 (U.S.C.) inspected Oneok NGL Pipeline, LLC's (Oneok) West Texas LPG System Pipelines in New Mexico and Texas.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. §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.

(h) What actions must an operator take to address integrity issues?

(4) Special requirements for scheduling remediation

(ii) 60-day conditions. Except for conditions listed in paragraph (h)(4)(i) of this section, an operator must schedule evaluation and remediation of the following conditions within 60 days of discovery of condition.

(B) A dent located on the bottom of the pipeline that has any indication of metal loss, cracking or a stress riser.

Oneok failed to remediate a dent with metal loss on the bottom of the Lufkin to Mont Belvieu Loop Index 21084 10-inch pipeline segment within 60 days of discovery on the as required by § 195.452(h)(4)(ii)(B).

Oneok performed an in-line inspection of the Lufkin to Mont Belvieu Loop Index 21084 10-inch pipeline segment on January 24, 2017, using a T.D. Williamson (TDW) combination Magnetic Flux Leakage and Deformation inspection tool. TDW issued to Oneok a Final Pipeline Inspection Report on June 27, 2017. The Final Report indicated a 1 percent dent with 10 percent external metal loss at the same orientation on the bottom of the pipe. The bottom side dent with indication of metal loss was located in a High Consequence Area; therefore, Oneok was required to remediate the dent with metal loss within 60 days of discovery in accordance with § 195.452(h)(4)(ii)(B).

On November 15, 2017, Oneok remediated the dent with metal loss by welding a Type-B sleeve over the anomaly. With the discovery date for the conditions being June 27, 2017, Oneok exceeded the 60-day remediation schedule by 81 days.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. 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. The Compliance Officer has reviewed the circumstances and supporting documentation involved for the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$63,900.

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 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from the receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 4-2019-5017** 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*