

NOTICE OF AMENDMENT

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

November 2, 2020

John Poarch
President
ARM Midstream Management, LLC
20329 State Highway 249, 4th Floor
Houston, Texas 77070

CPF 4-2020-010-NOA

Dear Mr. Poarch:

From April 20, 2020 through September 02, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected ARM Midstream LLC's ('ARM') hazardous liquid transmission pipeline system located in Texas and New Mexico.

On the basis of the inspection, PHMSA has identified an apparent inadequacy within ARM Operating and Maintenance (O&M) procedure, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a)...

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

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§ 195.573 What must I do to monitor external corrosion control?

(a) Protected pipelines. You must do the following to determine whether cathodic protection required by this subpart complies with § 195.571:

(2) Identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169 (incorporated by reference, see § 195.3).

ARM's written O&M procedure did not identify when a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169 (incorporated by reference, § 195.3).

ARM's *Corrosion Management Plan-R1, September 18, 2020, Section 4.3.2.1 Close Interval Survey* states:

"Close Interval Surveys (CIS) of buried pipe shall be conducted to meet the objectives of NACE SP 0169 paragraph 10.1.1.3. Specifically, CIS shall be performed at a minimum once every 7 years for jurisdictional pipeline segments regulated by 49 CFR 192 and 49 CFR 195, except segments that receive an External Corrosion Direct Assessment (ECDA) so that all covered segments are monitored periodically. CIS may also be conducted at the discretion of the Integrity Manager when practicable and determined necessary by sound engineering practice during the following circumstances..."

ARM must amend its written procedure to include no more than two years after a cathodic protection system is installed, the close-interval survey or comparable technology is used to determine the effectiveness of the cathodic protection system; provide base line operating data; locate areas of inadequate protection levels, and identify areas to be monitored periodically.

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 30 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 ARM Midstream Management, LLC 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 McDaniel, Director, Southwest, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2020-010-NOA**, and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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