

March 29, 2018

Mr. Steven B. Huckaby
Chairman & CEO
Thunder Creek NGL Pipeline, LLC
1331 17th Street # 1100
Denver, CO 80202

Re: CPF No. 5-2017-5019

Dear Mr. Huckaby:

Enclosed please find the Final Order issued in the above-referenced case. It makes one finding of violation and finds that Thunder Creek NGL Pipeline, LLC, a wholly-owned subsidiary of Meritage Midstream Services II, LLC, has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is effective upon the date of mailing as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Director, Western Region, Office of Pipeline Safety, PHMSA

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
)	
Thunder Creek NGL Pipeline, LLC,)	CPF No. 5-2017-5019
a subsidiary of Meritage Midstream Services II, LLC,)	
)	
Respondent.)	
)	

FINAL ORDER

From September 26 through 28, 2016, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Thunder Creek NGL Pipeline, LLC (TCNGL or Respondent), a wholly-owned subsidiary of Meritage Midstream Services II, LLC, in Gillette, Wyoming. TCNGL operates a 6-inch, 82.9-mile-long natural gas liquids pipeline and an 8-inch, 22.7-mile-long natural gas liquids pipeline. The pipelines run between Gillette and Douglas, Wyoming.¹

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated August 14, 2017, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included warning items pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that TCNGL had violated 49 C.F.R. § 195.55(a)(4) and proposed ordering Respondent to take certain measures to correct the alleged violation. The warning items required no further action but warned the operator to correct the probable violations or face possible future enforcement action.

TCNGL responded to the Notice by letter dated September 7, 2017 (Response). The company did not contest the allegation of violation and provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

TCNGL did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as

¹ <http://www.meritagemidstream.com/operations/powder-river-basin/thunder-creek-ngl-pipeline> (visited Nov. 20, 2017); Pipeline Safety Violation Report (Violation Report) (Aug. 14, 2017) (on file with PHMSA), at 1.

follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.55(a)(4), which states:

§ 195.55 Reporting safety-related conditions.

(a) Except as provided in paragraph (b) of this section, each operator shall report in accordance with § 195.56 the existence of any of the following safety-related conditions involving pipelines in service: . . .

(1) ...

(4) Any malfunction or operating error that causes the pressure of a pipeline to rise above 110 percent of its maximum operating pressure. . . .

The Notice alleged that Respondent violated 49 C.F.R. § 195.55(a)(4) by failing to report the existence of a malfunction or operating error that caused the pressure of its pipeline to rise above 110 percent of its maximum operating pressure. Specifically, the Notice alleged that TCNGL failed to report a safety-related condition after the operator over-pressured a segment of an isolated four feet of pipe running from the mainline pumps to the pig launcher at the 50 Buttes gas plant. During the inspection, a TCNGL representative confirmed that the pressure at this isolated segment reached 2000 psi while the maximum operating pressure of the system was only 1440 psi.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.55(a)(4) by failing to report the existence of a malfunction or operating error that caused the pressure of its pipeline to rise above 110 percent of its maximum operating pressure.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for a violation of 49 C.F.R. § 195.55(a)(4). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 195.55(a)(4) (**Item 1**), Respondent removed and replaced the impacted pipe by June 13, 2015.² Additionally, TCNGL reviewed operating procedures with personnel to prevent the creation of thermal-expansion pockets, as well as locked open certain manual valves that could be closed to

² Response, at 2.

create potential thermal-expansion pockets.³ On November 14, 2017, TCNGL filed a safety-related condition report in accordance with § 195.55(a)(4).

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

WARNING ITEMS

With respect to Items 2, 3, 4, and 5, the Notice alleged probable violations of Part 195, but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.404(b)(1) (**Item 2**) — Respondent's alleged failure to record and maintain discharge records from March 2015 through July 2015;

49 C.F.R. § 195.403(b)(1) (**Item 3**) — Respondent's alleged failure to review with personnel their performance in meeting the objectives of the company's emergency-response program per the requirements of § 195.403;

49 C.F.R. § 195.420(b) (**Item 4**) — Respondent's alleged failure to inspect its mainline valves, pursuant to § 195.420(b), at intervals not exceeding 7½ months, but at least twice each calendar year after commissioning the pipeline in March 2015; and

49 C.F.R. § 195.428(a) (**Item 5**) — Respondent's alleged failure to inspect each pressure-relief valve on a highly volatile liquid pipeline twice each calendar year, at intervals not to exceed 7½ months.

TCNGL presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

March 29, 2018

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued

³ *Id.*