

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 27, 2017

Mr. Porter Trimble
President
FDL Operating, LLC
909 Lake Carolyn Parkway, Ste. 500
Irving, TX 75039

CPF 5-2017-6012W

Dear Mr. Trimble:

On January 9 through 13, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Monell and Salt Creek CO₂ pipelines in Midwest and Wamsutter, Wyoming.

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

1. **§195.420 Valve Maintenance.**
(b) Each operator shall, at intervals not exceeding 7 ½ months, but at least twice per calendar year, inspect each mainline valve to determine if it is functioning properly.

FDL Operating, LLC (FDL) failed to inspect each mainline valve for the Monell CO₂ Line, at intervals not exceeding 7 ½ months, in accordance with §195.420(b). During the records

review of FDL's valve maintenance program, it was noted that FDL failed demonstrate that valve inspections were performed on the Monell CO2 Line for the second part of both calendar years 2015 and 2016.

2. §195.420 Valve Maintenance.

(c) Each operator shall provide protection for each valve from unauthorized operation and from vandalism.

During the field inspection of the Salt Creek CO2 Line, it was noted that the Bairoil Station was not protected from unauthorized operation or from vandalism. In addition, the main gate to the Bairoil Station was found to be unsecured as the lock on the gate opened when pulled on and the valves within the station were not secured by locks.

3. §195.430 Firefighting Equipment.

Each operator shall maintain adequate firefighting equipment at each pump station and breakout tank area. The equipment must be –

(a) In proper operating condition at all times.

During the field inspection of the Salt Creek CO2 Line, it was noted that one fire extinguisher, inside the PRS Station, was found to be expired in 2012.

4. §195.583 What must I do to monitor atmospheric corrosion?

(a) You must inspection each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

Onshore: At least once every 3 calendar years, but with intervals not exceeding 39 months.

At the time of the inspection, FDL was unable to provide documentation to demonstrate that atmospheric corrosion inspection was performed once every three (3) calendar years for the Monell CO2 Line and Salt Creek CO2 Line.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, 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. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in FDL Operating, LLC, being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2017-6012W**. 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).

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 D. Fehling (#153765 and #153766)