

October 24, 2017

Mr. Andrew Prestridge
President
DCOR, LLC
290 Maple Court, Suite 290
Ventura, CA 93003

Re: CPF No. 5-2017-7001

Dear Mr. Prestridge:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation, finds that DCOR, 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 is effective 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
Mr. Robert L. Garcia, Vice President – Operations, DCOR, LLC

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)	
)	
DCOR, LLC,)	CPF No. 5-2017-7001
)	
Respondent.)	
)	

FINAL ORDER

From December 13 through 16, 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 pipeline system that serves the Platform Gina, Platform Gilda, and the Mandalay Onshore Separation Facility (MOSF) of DCOR, LLC (DCOR or Respondent), in Ventura, California. DCOR explores and produces oil and natural gas in Southern California, the Ventura Basin, and the Los Angeles Basin.¹

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated March 23, 2017, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that DCOR had violated 49 C.F.R. §§ 194.101, 195.402, and 195.589, and proposed ordering Respondent to take certain measures to correct the alleged violations.

DCOR responded to the Notice by letter dated April 27, 2017 (Response). The company did not contest the allegations of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, DCOR did not contest the allegations in the Notice that it violated 49 C.F.R. Parts 194 and 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 194.101(a), which states:

§ 194.101 Operators required to submit plans.

¹ Company Overview of DCOR, LLC, *available at* <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=13406103> (last accessed July 6, 2017).

(a) Except as provided in paragraph (b) of this section, unless OPS grants a request from a Federal On-Scene Coordinator (FOSC) to require an operator of a pipeline in paragraph (b) to submit a response plan, each operator of an onshore pipeline facility shall prepare and submit a response plan to PHMSA as provided in § 194.119. A pipeline which does not meet the criteria for significant and substantial harm as defined in § 194.103(c) and is not eligible for an exception under § 194.101(b), can be expected to cause substantial harm. Operators of substantial harm pipeline facilities must prepare and submit plans to PHMSA for review.

The Notice alleged that Respondent violated 49 C.F.R. § 194.101(a) by failing to submit an oil-spill response plan to PHMSA as provided in § 194.119. Specifically, the Notice alleged that DCOR, an operator of an onshore pipeline facility, prepared an Oil Spill Response Plan (OSRP) in 2012 that was approved by the Bureau of Safety and Environmental Enforcement, U.S. Department of the Interior. The Notice alleged that there was no evidence to demonstrate that DCOR submitted its OSRP to PHMSA for review and approval or that DCOR qualified for any exceptions under § 194.101(a).

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. § 194.101(a) by failing to submit an oil-spill response plan to PHMSA as provided in § 194.119.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a), which states:

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

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a) by failing to follow its own manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Specifically, the Notice alleged that DCOR failed to follow its written Operation, Maintenance & Emergency Plan (OME) as follows:

- a. DCOR did not follow its *Procedure HL6.01 "Atmospheric Corrosion," Section 4.4*, to assure detection of corrosion before detrimental damage. DCOR's annual inspection records for atmospheric corrosion conducted on Platform Gilda indicate there were no instances of atmospheric corrosion on the 12-inch oil pipeline riser.² However, during

² DCOR clarified in its Response that the valve and riser in question in Item 2a are located on Platform Gilda's gas line, not oil line. However, DCOR did not contest the item and DCOR has completed the compliance term for Item 2a.

the inspection, the PHMSA inspector observed and photographed detrimental damage on the pipeline riser and a broken valve hand wheel due to atmospheric corrosion. There was no evidence that DCOR further investigated these corrosion conditions in accordance with *Section 4.4*.

- b. DCOR did not follow its “Flange Bolting Guide,” in that it did not make the appropriate adjustments by selective bolt tightening as required. During the inspection of the MOSF above-ground flange, the PHMSA inspector observed several stud bolts shorter than others and gap engagements that were not reasonably uniform around the circumference of the flange.

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. § 195.402(a) by failing to follow its own written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 195.589(c), which states:

§ 195.589 What corrosion control information do I have to maintain?

(a)

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§ 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

The Notice alleged that Respondent violated 49 C.F.R. § 195.589(c) by failing to maintain a record of each inspection in sufficient detail to demonstrate the adequacy of corrosion-control measures or that corrosion requiring control measures does not exist. Specifically, the Notice alleged that during the inspection, the PHMSA inspector observed corrosion at the MOSF, and observed conditions that made it impossible for DCOR to conduct accurate atmospheric-corrosion inspections. Subsequently, on January 20, 2017, the PHMSA inspector requested DCOR’s inspection records for conducting atmospheric corrosion inspections on the MOSF above-ground pipeline facility. DCOR emailed *Form 6.01A*, which showed that the pipeline located at Platform Gilda was inspected for atmospheric corrosion, but the pipeline facility at the MOSF was not.

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. § 195.589(c) by failing to maintain a record of each inspection in sufficient detail to demonstrate the adequacy of corrosion-control measures or that corrosion requiring control measures does not exist.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1, 2, and 3 in the Notice for violations of 49 C.F.R. §§ 194.101, 195.402, and 195.589, respectively. 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 has indicated that Respondent has taken the following actions to address the cited violations:

1. With respect to the violation of § 194.101(a) (**Item 1**), Respondent has submitted its Oil Spill Response Plan to PHMSA;
2. With respect to the violation of § 195.402 (**Item 2**), Respondent has: (a) conducted an accurate atmospheric corrosion evaluation on the pipeline riser and its components located at Platform Gilda, and followed its *Procedure HL6.01 "Atmospheric Corrosion"* and corrected the deficiencies found; (b) installed a new hand wheel on a valve where its hand wheel was consumed by corrosion, and evaluated and exercised this valve as necessary; and (c) followed its "Flange Bolting Guide" and installed stud bolts of the same length to the flange where different lengths of stud bolts were used, and inspected other flanges to make sure the stud bolts used have the same length and have uniform gap engagements around the circumference;
3. With respect to the violation of § 195.589 (**Item 3**), Respondent has conducted an atmospheric-corrosion evaluation on the above-ground pipeline system located at the MOSF, and followed its *Procedure HL6.01 "Atmospheric Corrosion"* and corrected the deficiencies found;
4. With respect to the violation of § 195.589 (**Item 3**), Respondent has removed the tape wrap on the pipe and its components where it was inadvertently buried, conducted a visual inspection for atmospheric corrosion, and followed its *Procedure HL6.01 "Atmospheric Corrosion"* to correct the deficiencies found;
5. With respect to the violation of § 195.589 (**Item 3**), Respondent has re-evaluated the design location of the corrosion inhibitors' test point to make sure it is not in contact with the soil and followed its *Procedure HL6.01 "Atmospheric Corrosion"* to correct the deficiencies found; and
6. With respect to the violation of § 195.589 (**Item 3**), Respondent has evaluated the integrity of, and inspected for corrosion activity on, the flange's surface where it had a metallic contact with the metal support, and followed its *Procedure HL6.01 "Atmospheric Corrosion"* to correct the deficiencies found.

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

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

October 24, 2017

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued