



U.S. Department  
of Transportation

Pipeline and Hazardous Materials  
Safety Administration

1200 New Jersey Avenue SE  
Washington DC 20590

MAY 31 2019

Mr. Rich Fairservis  
Chief Executive Officer  
The Granite Peak Group  
1300 Venture Way, Suite 200  
Casper, Wyoming 82609

**Re: CPF No. 5-2018-6004**

Dear Mr. Fairservis:

Enclosed please find the Final Order issued in the above-referenced case to your subsidiary, Bridger Swan Ranch, LLC. It makes findings of violation, assesses a reduced civil penalty of \$81,600, and specifies actions that need to be taken by Bridger to comply with the pipeline safety regulations. The penalty payment terms are set forth in the Final Order. When the civil penalty has been paid and the terms of the compliance order completed, as determined by the Director, Western Region, this enforcement action will be 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: Mr. Dustin Hubbard, Director, Western Region, Office of Pipeline Safety, PHMSA  
Mr. Patrick M. Knapp, Senior Counsel, Bridger Logistics, LLC, 6100 W. Plano Parkway,  
Suite 1600, Plano, Texas 75093  
Mr. Otis Randle, Vice President of Environmental Safety and Regulatory Compliance,  
Bridger Environmental, LLC, 6100 W. Plano Parkway, Suite 1600, Plano, Texas  
75093

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

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**In the Matter of** )  
 )

**Bridger Swan Ranch, LLC,** )  
**a subsidiary of The Granite Peak Group,** )

**Respondent.** )  
\_\_\_\_\_ )

**CPF No. 5-2018-6004**

**FINAL ORDER**

From August 29 through September 2, 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 Bridger Swan Ranch, LLC's (Bridger or Respondent), crude oil blending and tanking facility in Cheyenne, Wyoming.<sup>1</sup> The Bridger Swan Ranch Facility consists of five tanks totaling 225,000 barrels of blending and storage capacity for crude oil, 10 truck load/unload lanes, and pipeline connections to the Cheyenne Rail Hub and Sinclair's pipeline to Guernsey, Wyoming.<sup>2</sup>

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated February 28, 2018, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice), which also included warnings pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Bridger had committed five violations of 49 C.F.R. Part 195, one violation of Part 194, and proposed assessing a civil penalty of \$88,800 for the alleged violations. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violations. The five warning items required no further action, but warned the operator to correct the probable violations or face possible future enforcement action.

<sup>1</sup> The NOPV was served on Bridger Logistics, LLC, and that company responded that it did not own or operate the Bridger Swan Ranch Facility, but instead, the correct entity was Bridger Swan Ranch, LLC. Respondent Response to Notice (Mar. 30, 2018) at 1, 5. I note that Respondent files its Annual Report with PHMSA under the name Bridger Transfer Services, LLC, using OPID 39046. At the time of the inspection and issuance of the NOPV, both Bridger Logistics, LLC, and Bridger Swan Ranch, LLC, were subsidiaries of Ferrellgas, L.P. On August 1, 2018, Bridger Logistics, LLC, and Bridger Swan Ranch, LLC, were sold. <https://globenewswire.com/news-release/2018/08/01/1545902/0/en/Ferrellgas-Partners-L-P-Completes-Sale-of-Remaining-Bridger-Operations-and-Global-Sourcing-Business.html>. Bridger Swan Ranch, LLC, was acquired by The Granite Peak Group. <http://www.granitepeakindustries.com/companies/swan-ranch-midstream/>.

<sup>2</sup> <http://www.granitepeakindustries.com/companies/swan-ranch-midstream/>.

Bridger responded to the Notice by letter dated March 30, 2018 (Response). The company contested the allegations, offered additional information in response to the Notice, and requested that the proposed civil penalty be reduced. Respondent did not request a hearing and therefore has waived its right to one. On October 23, 2018, Respondent submitted additional information about its compliance actions and again requested that the proposed civil penalties be withdrawn or reduced.

### **FINDINGS OF VIOLATION**

#### **Uncontested**

In its Response, Bridger did not contest the following allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

**Item 2:** The Notice alleged that Respondent violated 49 C.F.R. § 195.446(a), which states:

#### **§ 195.446 Control room management.**

(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. The procedures required by paragraphs (c)(1) through (4), (d)(1), (d)(4), and (e) must be implemented no later than August 1, 2012. The training procedures required by paragraph (h) must be implemented no later than August 1, 2012, except that any training required by another paragraph of this section must be implemented no later than the deadline for that paragraph.

The Notice alleged that Respondent violated 49 C.F.R. § 195.446(a) by failing to have and follow written control room management procedures that implement the requirements of this section. Specifically, the Notice alleged that Bridger is the operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of its pipeline facility through a SCADA system. At the time of the inspection, Bridger referenced a control room management program in its Operations and Maintenance manual, but when PHMSA requested to see this document, one could not be provided. 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. § 195.446(a) by failing to have and follow written control room management procedures that implement the requirements of this section.

Contested

The Notice alleged that Respondent violated 49 C.F.R. Part 195, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 195.452(b)(2), which states:

**§ 195.452 Pipeline integrity management in high consequence areas.**

(a)...

(b) *What program and practices must operators use to manage pipeline integrity?* Each operator of a pipeline covered by this section must: . . .

(2) Include in the program an identification of each pipeline or pipeline segment in the first column of the following table not later than the date in the second column:

Pipeline	Date
Category 1.....	December 31, 2001.
Category 2.....	November 18, 2002.
Category 3.....	Date the pipeline begins operation.

The Notice alleged that Respondent violated 49 C.F.R. § 195.452(b)(2) by failing to include in its program an identification of each pipeline segment that could affect a High Consequence Area (HCA).<sup>3</sup> Specifically, the Notice alleged that Bridger’s Integrity Management Program (IMP) did not identify the Swan Ranch Facility pipeline segment as a hazardous liquid pipeline that could affect a HCA. During the inspection, a National Pipeline Mapping System (NPMS) map overlay with the Swan Ranch Facility pipeline showed the entire pipeline segment was within a drinking water resource, making it a pipeline that could affect an HCA.<sup>4</sup> Furthermore, this facility has been in service since November 2013 so it is a Category 3 pipeline, requiring that HCAs be identified when the pipeline begins operation.<sup>5</sup>

<sup>3</sup> According to 49 C.F.R. § 195.450, a “High Consequence Area” is (1) a commercially navigable waterway, (2) a high population area, (3) an other populated area, or (4) an unusually sensitive area, as more specifically defined in § 195.6.

<sup>4</sup> According to 49 C.F.R § 195.6, an “Unusually Sensitive Area (USA)” means a drinking water or ecological resource area that is unusually sensitive to environmental damage from a hazardous liquid pipeline release. 49 C.F.R §195.6(a) defines a drinking water resource as “(1) The water intake for a Community Water System (CWS) or a Non-Transient Non-Community Water System (NTNCWS) that obtains its water supply primarily from a surface water source and does not have an adequate alternative drinking water source; (2) The Source Water Protection Area (SWPA) for a CWS or a NTNCWS that obtains its water supply from a Class I or Class IIA aquifer and does not have an adequate alternative drinking water source. Where a state has not yet identified the SWPA, the Wellhead Protection Area (WHPA) will be used until the state has identified the SWPA; or (3) The sole source aquifer recharge area where the sole source aquifer is a karst aquifer in nature.” See also Exhibit I to Pipeline Safety Violation Report (Violation Report), (Feb. 28, 2018) (on file with PHMSA).

<sup>5</sup> 49 C.F.R. § 195.452(a)(3).

In its Response, Bridger disputed this characterization. It stated that it had not violated § 195.452(b)(2) because it maintained an IMP since “before the Swan Ranch Facility became operational.”<sup>6</sup> Respondent contended that Section 6.1.1 of the IMP (Identification of HCAs) sets forth Bridger’s procedures for identifying HCAs. Furthermore, Respondent maintained that since the Swan Ranch Facility opened, its pipeline segments have been known to affect an HCA, and personnel practiced proper procedures in accordance with the IMP.<sup>7</sup>

Having reviewed the record, I find that Bridger has an IMP which states that “The Company will utilize the information provided by the National Pipeline Mapping System (NPMS) or equivalent sources to identify HCAs.” However, Bridger failed to provide any evidence that it had actually done so. Although Bridger outlined a process for identifying HCAs in its IMP, it did not actually identify which pipeline segments affect or could-affect these HCAs as required by § 195.452(b)(2). Bridger could not produce any NPMS maps, GIS data, or other maps to demonstrate which pipeline segments were identified as those affecting HCAs or could affect HCAs.<sup>8</sup> Moreover, Bridger’s Vice President of Environmental Safety and Regulatory Compliance stated that Bridger was unaware that the at-issue pipeline segment was in an HCA or was part of Bridger’s IMP.<sup>9</sup>

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.452(b)(2) by failing to include in its IMP an identification of each pipeline segment that could affect an HCA.

**Item 3:** The Notice alleged that Respondent violated 49 C.F.R. § 194.101(a), which states:

**§ 194.101 Operators required to submit plans.**

(a) Except as provided in paragraph (b) of this section, unless OPS grants a request from a Federal On-Scene Coordinator (FOOSC) 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, who does not fall into an exception from the regulation, violated 49 C.F.R. § 194.101(a) by failing to prepare and submit a response plan to PHMSA as provided in § 194.119. Specifically, the Notice alleged that Bridger had not filed a response plan

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<sup>6</sup> Response, at 2.

<sup>7</sup> Response, at 2.

<sup>8</sup> Region Recommendation, at 2.

<sup>9</sup> Violation Report, at 6; Region Recommendation, at 2.

to PHMSA as of the date of the inspection.

In its Response, Bridger stated that it “has maintained an Emergency Response Action Plan (ERAP) for the facility since its commencement of operations in 2013. The ERAP has been submitted to, and approved by, the U.S. Environmental Protection Agency.”<sup>10</sup>

While Bridger may have filed its ERAP with the U.S. Environmental Protection Agency, Bridger is required by § 194.101(a) to prepare and submit a response plan to PHMSA that meets the requirements established in 49 C.F.R. Part 194. Submitting a plan to another agency does not serve as a substitute for compliance with PHMSA’s regulation.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 194.101(a) by failing to prepare and submit a response plan to PHMSA as provided in § 194.119.

**Item 5:** The Notice alleged that Respondent violated 49 C.F.R. § 195.420(b), which states:

**§ 195.420 Valve maintenance.**

(a)...

(b) Each operator shall, at intervals not exceeding 7½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

The Notice alleged that Respondent violated 49 C.F.R. § 195.420(b) by failing to inspect all mainline valves at intervals not exceeding 7½ months, but at least twice each calendar year. Specifically, the Notice alleged that during the PHMSA inspection, Bridger personnel did not provide evidence that they had inspected any of their mainline valves during 2014 and 2016.

In its Response, Bridger enclosed records of valve inspections for 2015 and partial records of valve inspections from 2016. It also stated that, it could not complete a second inspection in 2016 because custody transfer units at the facility were substantially upgraded and reworked that year. The units, including all valves, passed a complete final safety inspection.<sup>11</sup> Respondent maintained that it has been in compliance with this regulation since calendar year 2017.

The 2015 valve inspection records are not pertinent in this case because the violation relates only to the records for 2014 and 2016. Bridger failed to provide any records for 2014, and although it submitted the records for one inspection of each valve in 2016, this does not show that inspections took place as required twice during the calendar year. While the upgrading work may have been the reason for Bridger’s lack of compliance, it does not excuse it, nor has Respondent shown that the valves passing a later safety inspection achieved compliance with the regulations.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R.

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<sup>10</sup> Response, at 3.

<sup>11</sup> Response, at 3.

§ 195.420(b) by failing to inspect all mainline valves at intervals not exceeding 7½ months, but at least twice each calendar year.

**Item 6:** The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a), which states:

**§ 195.412 Inspection of rights-of-way and crossings under navigable waters.**

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a) by failing to inspect the surface conditions on and adjacent to its pipeline rights-of-way (ROW) at intervals not exceeding 3 weeks, but at least 26 times each calendar year. Specifically, the Notice alleged that Bridger provided 17 driving ROW patrolling records for 2015 and 13 driving ROW patrolling records for 2014. During the inspection, Bridger personnel stated that the remaining records were not available and failed to provide other substantiating evidence that the inspections were performed.

In its Response, Bridger did not contest the allegation that it inspected the pipeline ROW in 2014 and 2015 less often than required by the regulation. Respondent maintained that the ROW is now being inspected at regular intervals in accordance with the regulations, and that it has verified compliance as far back as calendar year 2016.<sup>12</sup>

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.412(a) by failing to inspect the surface conditions on and adjacent to its pipeline ROW at intervals not exceeding 3 weeks, but at least 26 times each calendar year.

**Item 11:** The Notice alleged that Respondent violated 49 C.F.R. § 195.573(c), which states, in relevant part:

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

(a)...

(c) *Rectifiers and other devices.* You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device	Check Frequency
Rectifier.....	At least six times each calendar year, but with intervals not exceeding 2½ months

The Notice alleged that Respondent violated 49 C.F.R. § 195.573(c) by failing to perform electrical checks on each rectifier at least six times each calendar year, but with intervals not exceeding 2½ months for calendar years 2014 and 2015. Specifically, the Notice alleged that

<sup>12</sup> Response, at 4.

during the inspection, Bridger personnel were unable to provide records demonstrating that it had performed electrical checks of its rectifiers at the required intervals.

In its Response, Bridger enclosed logs of certain rectifier checks that were performed in 2014, 2015, 2016, and 2017, but did not contest the allegation that it failed to perform checks at the required intervals in 2014 and 2015. Bridger did not provide a credible justification for why it did not comply with the regulatory requirement. It stated that it lacked records that two rectifier checks were timely performed. Bridger verified that rectifier checks are now being performed in compliance with applicable regulations, and verified compliance as far back as calendar year 2016.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.573(c) by failing to perform electrical checks on each rectifier at least six times each calendar year, but with intervals not exceeding every 2½ months for calendar years 2014 and 2015.

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

### ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.<sup>13</sup>

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$88,800 for the violations cited above.

**Item 5:** The Notice proposed a civil penalty of \$30,900 for Respondent's violation of 49 C.F.R. § 195.420(b), for failing to inspect all mainline valves at intervals not exceeding 7½ months, but at least twice each calendar year.

Bridger contested the proposed penalty, claiming that it "would substantially impair Bridger's ability to operate the Facility and continue in business,"<sup>14</sup> and requested that the penalty be

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<sup>13</sup> These amounts are adjusted annually for inflation. *See, e.g.*, Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties, 82 Fed. Reg. 19325 (Apr. 27, 2017).

<sup>14</sup> Response, at 3.

reduced. It cited its then-parent company, Ferrellgas's business losses, which led to layoffs, changes in senior management, and stock price decreases.<sup>15</sup> On May 14, 2018, the Director, Western Region, requested certain financial information from Bridger in order to more thoroughly consider Bridger's argument as it related to its ability to continue to conduct business. Bridger did not respond or provide any documentation to support its claims.

I find that Bridger has not justified a reduction in the penalty on grounds that it would affect its ability to continue doing business. In addition, I note that the nature of this violation was an activity (failure to conduct inspections), the circumstances of the alleged violation were discovered by PHMSA and not self-reported by the operator or reported by the public, the gravity of the alleged violation was such that pipeline safety was compromised in an HCA, and (as noted above) consideration of the operator's culpability included that Bridger took action to comply with the regulation, but did not achieve compliance. Finally, the operator's failure to comply was not due to a reasonable but incorrect interpretation of the requirement, and therefore did not qualify for a good faith credit.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$30,900 for violation of 49 C.F.R. § 195.420(b).

**Item 6:** The Notice proposed a civil penalty of \$10,100 for Respondent's violation of 49 C.F.R. § 195.412(a) by failing to inspect the surface conditions on and adjacent to its pipeline ROW at intervals not exceeding 3 weeks, but at least 26 times each calendar year.

Bridger objected to the amount of this penalty, stating that "it is unreasonable, disregards mitigating circumstances, is disproportionate to the findings, and would substantially impair Bridger's ability to conduct business at the Facility."<sup>16</sup> It also cited the reasoning discussed above regarding its business standing.

I find that Bridger has not justified a reduction in the penalty. The proposed civil penalty amount already recognizes that Bridger "took action to comply with a requirement but did not achieve compliance," thus decreasing the culpability assessment factor and overall penalty amount for this violation item. In addition, I note that the nature of this violation was an activity, the circumstances of the alleged violation were discovered by PHMSA and not self-reported by the operator or reported by the public, the gravity of the alleged violation was a records violation, and (as noted above) consideration of the operator's culpability included that Bridger took action to comply with the regulation, but did not achieve compliance. With respect to Respondent's contention that the penalty would affect its ability to continue doing business, I find Respondent has not substantiated that claim as explained in Item 5.

Bridger admits that it did not comply with the ROW inspection regulation for 2014 and 2015. Although some inspections were conducted, Bridger has not provided any evidence regarding why it did not comply with the regulation. Inspections of ROWs are critical to ensuring the pipeline's integrity. A transmission pipeline ROW that is adequately maintained is an important

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<sup>15</sup> Response, at 3.

<sup>16</sup> Response, at 4.

visual indicator of the existence of transmission pipeline facilities for anyone performing construction or other work near the pipeline. Further, a clear ROW enables operators to conduct inspections and testing to verify pipeline integrity and to perform general maintenance and repairs as needed.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$10,100 for violation of 49 C.F.R. § 195.412(a).

**Item 11:** The Notice proposed a civil penalty of \$47,800 for Respondent's violation of 49 C.F.R. § 195.573(c) by failing to perform electrical checks on each rectifier at least six times each calendar year, but with intervals not exceeding every 2½ months for calendar years 2014 and 2015.

In its response, Bridger argued that the penalty was "unreasonable, disregard[ed] mitigating circumstances, is disproportionate to the findings, and would substantially impair Bridger's ability to conduct business at the facility."<sup>17</sup> It also cited the reasoning discussed above regarding its business standing.

With respect to Respondent's contention that the penalty would affect its ability to continue doing business, I find Respondent has not substantiated that claim as explained in Item 5. However, I find that a reduction in the penalty is appropriate under the culpability assessment factor. As explained above, Bridger took action to comply with the requirement but did not achieve full compliance. As a result, the original culpability assessment criterion should be amended from Bridger "fail[ing] to take appropriate action to comply with a requirement that was clearly applicable" to Bridger "took action to comply with a requirement but did not achieve compliance."

In addition, I note that the nature of this violation was an activity, the circumstances of the alleged violation were discovered by PHMSA and not self-reported by the operator or reported by the public, and the gravity of the alleged violation was such that pipeline safety was compromised in an HCA. Finally, the operator's failure to comply was not due to a reasonable but incorrect interpretation of the requirement, and therefore did not qualify for a good faith credit.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a reduced civil penalty of \$40,600 for violation of 49 C.F.R. § 195.573(c).

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **\$81,600**.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be

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<sup>17</sup> Response at 4.

directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the \$81,600 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

### COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1, 2, 3, 5, 6, and 11 in the Notice for violations of 49 C.F.R. §§ 195.452(b)(2), 195.446(a), 194.101(a), 195.420(b), 195.412(a), and 195.573(c), 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.

Respondent has provided documentation that satisfies two of the Items. With regard to the violation of § 195.446(a) (Item 2), Respondent provided additional copies of its written control room management procedures onsite, and provided PHMSA with an updated copy. With regard to the violation of § 195.573(c) (Item 11), Respondent provided records of rectifier electrical checks in accordance with the Proposed Compliance Order. Accordingly, it is not necessary to include the terms of the Proposed Compliance Order associated with these two Items.

Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.452(b)(2) (**Item 1**), Respondent must identify the Swan Ranch Facility as a pipeline that could affect a High Consequence Area (HCA) in its written integrity management program within 30 days of the issuance of the Final Order.
2. With respect to the violation of § 194.101(a) (**Item 3**), Respondent must submit its response plan for approval within 30 days of the issuance of the Final Order.
3. With respect to the violation of § 195.420(b) (**Item 5**), Respondent must inspect each mainline valve to determine it is functioning properly every 7 ½ months, but at least twice each calendar year and submit the inspection records for 2017 to PHMSA's Western Region office within 30 days of the issuance of the Final Order.
4. With respect to the violation of § 195.412(a) (**Item 6**), Respondent must inspect the surface condition on or adjacent to each pipeline right of way at intervals not

exceeding 3 weeks, but at least 26 times each calendar year and submit the inspection records to PHMSA's Western Region office within 30 days of the issuance of the Final Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

It is requested (not mandated) that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. It is requested that these costs be reported in two categories: (1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and (2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

### **WARNING ITEMS**

With respect to Items 4, 7, 8, 9, and 10, 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. § 195.403(b) **(Item 4)** — Respondent's alleged failure to demonstrate that it had conducted a review with personnel of their performance in meeting the objectives of the company's emergency response program, and had made appropriate changes to the program as necessary to ensure that it was effective.

49 C.F.R. § 195.440(a) **(Item 7)** — Respondent's alleged failure to provide baseline messages as part of a written continuing public education program meeting the requirements of API 1162.

49 C.F.R. § 195.440(a) **(Item 8)** — Respondent's alleged failure to identify the affected public as part of a written continuing public education program meeting the requirements of API 1162.

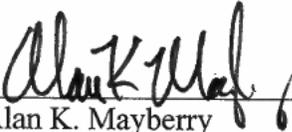
49 C.F.R. § 195.440(a) **(Item 9)** — Respondent's alleged failure to establish a continuing public education program meeting the requirements of API 1162.

49 C.F.R. § 195.440(a) **(Item 10)** — Respondent's alleged failure to complete an annual audit or review of its public education program meeting the requirements of API 1162.

Bridger presented information in its Response showing that it planned to take 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.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2<sup>nd</sup> Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. The other terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

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



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Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

MAY 31 2019

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Date Issued