



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

VIA E-MAIL TO MR. MARK CLUFF

February 12, 2021

Mr. Mark Cluff
VP Safety & Ops Discipline
Rocky Mountain Midstream Pipeline LLC
One Williams Center
43-1
Tulsa, OK 74103

CPF 5-2021-003-WL

Dear Mr. Cluff:

From October 19, 2020 through October 23, 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 your Rocky Mountain Midstream Pipeline, LLC which extends from Hudson, Colorado to Whitecliff, Colorado.

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 (CFR). The items inspected and the probable violations are:

1. § 195.452 Pipeline integrity management in high consequence areas.

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

(1) Develop a written integrity management program that addresses the risks on each segment of pipeline in the first column of the following table not later than the date in the second column:

| Pipeline | Date |
|-------------------|---|
| Category 1 | March 31, 2002. |
| Category 2 | February 18, 2003. |
| Category 3 | 1 year after the date the pipeline operation begins. |

Current operator failed to satisfy the requirements of §195.452(f)(1) by not having a process in place or conducting the process to meet the requirement noted in §195.452(b)(2) which is identification of could affect segments (CAS). Current operator acquired the Rocky Mountain Pipeline on August 3, 2018 and reviewed could affect segments near the end of 2019 a year after the acquisition. So, CAS were not identified until nearly two years after the pipeline began operation on October, 2017. Furthermore, the operator calculated the Worst-Case Discharge (WCD) incorrectly and this was discovered during the audit. The WCD calculation was wrong by a factor of ten times which resulted in a correction to the CAS by more than doubling the CAS mileage noted in the attached document. CAS mileage increased from 1.17 miles to 2.69 miles or by 130% increase in CAS mileage. Furthermore, §195.452(b)(1) was not complied with since an Integrity Management (IM) Plan was not in place until late 2019 when the operator determined that they in fact had CAS.

2. § 195.452 Pipeline integrity management in high consequence areas.

(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. |

Current operator failed to satisfy the requirements of §195.452(f)(1) by not having a process in place or conducting the process to meet the requirement noted in §195.452(b)(2) which is identification of could affect segments (CAS). Current operator acquired the Rocky Mountain Pipeline on August 3, 2018 and reviewed could affect segments near the end of 2019 a year after the acquisition. So, CAS were not identified until nearly two years after the pipeline began operation on October, 2017. Furthermore, the operator calculated the Worst-Case Discharge (WCD) incorrectly and this was discovered during the audit. The WCD calculation was wrong by a factor of ten times which resulted in a correction to the CAS by more than doubling the CAS mileage noted in the attached document. CAS mileage increased from 1.17 miles to 2.69 miles or by 130% increase in CAS mileage. Furthermore, §195.452(b)(1) was not complied with

since an IM Plan was not in place until late 2019 when the operator determined that they in fact had CAS.

3. § 195.452 Pipeline integrity management in high consequence areas.

(f) *What are the elements of an integrity management program?*

(1) A process for identifying which pipeline segments could affect a high consequence area;

Current operator failed to satisfy the requirements of §195.452(f)(1) by not having a process in place or conducting the process to meet the requirement noted in §195.452(b)(2) which is identification of could affect segments (CAS). Current operator acquired the Rocky Mountain Pipeline on August 3, 2018 and reviewed could affect segments near the end of 2019 a year after the acquisition. So, CAS were not identified until nearly two years after the pipeline began operation on October, 2017. Furthermore, the operator calculated the Worst-Case Discharge (WCD) incorrectly and this was discovered during the audit. The WCD calculation was wrong by a factor of ten times which resulted in a correction to the CAS by more than doubling the CAS mileage noted in the attached document. CAS mileage increased from 1.17 miles to 2.69 miles or by 130% increase in CAS mileage. Furthermore, §195.452(b)(1) was not complied with since an IM Plan was not in place until late 2019 when the operator determined that they in fact had CAS.

4. § 195.452 Pipeline integrity management in high consequence areas.

(l) *What records must an operator keep to demonstrate compliance?*

(1) An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At a minimum, an operator must maintain the following records for review during an inspection:

Current operator failed to satisfy the requirements of §195.452(l)(1)(ii) by not producing records documenting the timely completion of the requirement noted in §195.452(b)(2) which is identification of could affect segments (CAS). Current operator acquired the Rocky Mountain Pipeline on August 3, 2018 and reviewed could affect segments near the end of 2019 a year after the acquisition. So, could affect segments were not identified until nearly two years after the pipeline began operation on October, 2017. Furthermore, the operator calculated the Worst-Case Discharge (WCD) incorrectly and this was discovered during the audit. The WCD calculation was wrong by a factor of ten times which resulted in a correction to the CAS by more than doubling the CAS mileage noted in the attached document. CAS mileage increased from 1.17 miles to 2.69 miles or by 130% increase in CAS mileage.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a

maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, 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. 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 items identified in this letter. Failure to do so will result in Rocky Mountain Midstream Pipeline 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 5-2020-003-WL**. 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,

Dustin Hubbard
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Gilliam, T. Jez, J. Williams (#20-172154)