

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: dsunshot@gmail.com

April 6, 2021

Mr. Duane Bowers
Vice President
Teavee Oil & Gas Inc
PO Box 27
Winfield, West Virginia 25213

CPF 1-2021-008-NOA

Dear Mr. Bowers:

From March 31, 2020 through June 2, 2020, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Teavee Oil & Gas Inc's (Teavee) procedures for the underground natural gas storage facility in Hurricane, West Virginia.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Teavee's plans or procedures, as described below:

1. § 192.12 Underground natural gas storage facilities.

(a) ...

(c) *Procedural manuals.* Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.

Teavee's written procedures for conducting operations, maintenance, and emergency preparedness and response activities under § 192.12(b)(2) were inadequate. Specifically, Teavee's *Operation, Inspection and Maintenance Plan*, undated (O&M Plan), lacked sufficient details for the operation of underground natural gas storage fields regarding integrity monitoring in accordance with API RP 1171, Section 9.

During the inspection, the inspectors reviewed Teavee's O&M Plan. The plan included sections addressing Underground Natural Gas Storage Facilities, Risk Assessment, Storage Field Map, Structure Map, Well Inspections, and the Emergency Response Plan.

The inspection team identified the following elements of the plan related to integrity monitoring that were inadequate:

Integrity Monitoring

1. No hysteresis curve had been developed or was available, wherein Teavee analyzed pressure / volume data to determine reservoir integrity. (API RP 1171, Section 9.2.1)
2. There was no reference in the body of the plan that addressed a process to develop integrity demonstration, verification, and monitoring tasks. (API RP 1171, Section 9.2.2)
3. Teavee did not include a reference in the body of the plan that specified the frequency considerations for integrity demonstration, verification, and monitoring tasks. (API RP 1171, Section 9.2.2)
4. Teavee's O&M Plan, Section 35.6 does not provide specificity for a process to integrate well integrity evaluations into the risk assessment program. (API RP 1171, Section 9.3.1)
5. The O&M Plan does not specify an action level or threshold for annular pressure or annular gas flow. (API RP 1171, Section 9.3.2)
6. No threshold is specified for annular pressure or annular gas flow, and therefore there is no follow-up process for threshold excursions. (API RP 1171, Section 9.3.2)
7. Teavee's O&M Plan addresses valve inspections in general, but does not provide detail or a reference to a task description for maintenance. (API RP 1171, Section 9.3.2)

Therefore, Teavee's O&M Plan was inadequate regarding various requirements found within API RP1171, Section 9. Teavee must revise its O&M Plan to address the deficiencies outlined above.

2. § 192.12 Underground natural gas storage facilities.

(a) ...

(c) *Procedural manuals.* Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.

Teavee's written procedures for conducting operations, maintenance, and emergency preparedness and response activities were inadequate. Specifically, Teavee's O&M Plan lacked sufficient details for the operation of underground natural gas storage fields with regard to reporting requirements of 49 CFR Part 191.

During the inspection, the PHMSA inspection team reviewed Teavee's O&M Plan. The plan included sections addressing Underground Natural Gas Storage Facilities, Risk Assessment, Storage Field Map, Structure Map, Well Inspections, and the Emergency Response Plan.

The inspection team identified the following elements of the plan, related to reporting requirements, that were inadequate:

Reporting

1. Teavee's O&M Plan defines incidents on a pipeline but does not address incidents in underground natural gas storage facilities. (§ 191.3)
2. The procedure addressing immediate notifications of incidents was undated and had no revision number. Procedure A-7, *Incident and Safety Reporting*, did not appear to be a part of the O&M Plan, and was not referenced in the manual. (§ 191.5)
3. The procedure addressing the 30-day incident report was undated and had no revision number. Procedure A-7, *Incident and Safety Reporting*, did not appear to be a part of the O&M Manual, and was not referenced in the manual. (§ 191.15(c))
4. Procedure A-7, *Incident and Safety Reporting*, does not address filing of supplemental or revised reports. (§ 191.15(d))
5. Procedure A-7, *Incident and Safety Reporting*, does not clearly require the filing of the annual report. (§ 191.17)
6. Procedure A-7, *Incident and Safety Reporting*, failed to include specific language for UNGS notifications. (§ 191.22)
7. Procedure A-7, *Incident and Safety Reporting*, does not address safety related conditions for UNGSFs. (§ 191.23(a))

Therefore, Teavee's O&M Plan was inadequate regarding various reporting requirements found in Part 191. Teavee must revise its O&M Plan to address the deficiencies in reporting procedures outlined above.

3. § 192.12 Underground natural gas storage facilities.

(a) ...

(c) *Procedural manuals.* Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.

Teavee's written procedures for conducting operations, maintenance, and emergency preparedness and response activities under § 192.12(b)(2) were inadequate. Specifically, Teavee's O&M Plan lacked sufficient details for the operation of underground natural gas storage fields regarding various requirements of API RP1171, Section 10, *Site Security and Safety*, *Site Inspections*, and *Emergency Preparedness and Response*.

During the inspection, the PHMSA representatives reviewed the Teavee's O&M Plan. The plan included sections addressing Underground Natural Gas Storage Facilities, Risk Assessment, Storage Field Map, Structure Map, Well Inspections, and the Emergency Response Plan.

The following elements of the plan that were inadequate:

Site Security and Safety

1. According to API RP 1171, Section 10.6.1, there are four specific topics that must be addressed in an emergency preparedness/response plan: accidental releases, equipment failures, natural disasters, and third-party emergencies. The Plan fails to address equipment failure and third-party emergencies. (API RP 1171, Section 10.6.1)
2. The O&M Plan, Section 37 addresses training but does not provide enough specificity to establish a frequency or minimum requirements for personnel. (API RP 1171, Section 10.6.2)
3. Although the O&M Plan does address an annual review of the emergency plan which precedes the section for the Blowout Contingency Plan, the master plan does not address the frequency of a periodic review of the Blowout Contingency Plan. (API RP 1171, Section 10.6.3)
4. The O&M Plan does not specifically cover review/evaluation of the emergency response processes for effectiveness on a periodic basis. (API RP 1171, Section 11.4.2)

Therefore, Teavee's O&M Plan was inadequate regarding various requirements found within API RP1171, Section 10. Teavee must revise its O&M Plan to address the deficiencies outlined above.

4. § 192.12 Underground natural gas storage facilities.

(a) ...

(c) *Procedural manuals.* Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.

Teavee's written procedures for conducting operations, maintenance, and emergency preparedness and response activities under § 192.12(b)(2) were inadequate. Specifically, Teavee's O&M Plan lacked sufficient details for the operation of underground natural gas storage fields regarding various requirements of API RP1171, Section 11.

During the inspection, the PHMSA inspection team reviewed the Teavee's O&M Plan. The plan included sections addressing Underground Natural Gas Storage Facilities, Risk Assessment, Storage Field Map, Structure Map, Well Inspections, and the Emergency Response Plan.

The inspection team identified the following elements of the plan that were inadequate:

Procedures and Training

1. Teavee's O&M Plan, Section 35.5, lists a general framework but does not specify detailed procedures for construction, operation, and maintenance to establish and maintain functional integrity of the wells and reservoirs. (API RP 1171, Section 11.2.1)
2. The O&M Plan presents a basic framework of operation and maintenance activities, but not all the work activities performed by Teavee personnel, or those to be performed by contractors, are covered by the written procedures. (API RP 1171, Section 11.3.2)
3. There is no procedure that describes the incorporation of these safeguards. For example, Teavee does not specify the use of a Job Safety Analysis form, or other type of form, to incorporate safeguards for environmental, safety, and health considerations in O&M activities. (API RP 1171, Section 11.9.1)
4. The O&M Plan, Section 37.6, Management of Change, presents a framework but does not include a detailed process for implementing changes in a controlled manner. (API RP 1171, Section 11.11.1)
5. The O&M Plan, Section 37.6, Management of Change, presents a framework but does not include a detailed process for changing procedures before the change is implemented. (API RP 1171, Section 11.11.1)
6. There is no process that details how operating personnel are to be notified of changes to operating procedures. (API RP 1171, Section 11.12.2)
7. There is no process requiring training of personnel whenever the operating procedures are changed. (API RP 1171, Section 11.12.2 and Section 11.13.2)
8. The O&M Plan does not include a list of the documents referenced in API RP1171, Section 11. (API RP 1171, Section 11.13.1)
9. Teavee has not compiled a list of the documents referenced in API RP1171, Section 11, and has not established a written retention policy for the comprehensive set of records. (API RP 1171, Section 11.13.3)

Therefore, Teavee's O&M Plan was inadequate regarding various requirements found within API RP1171, Section 11. Teavee must revise its O&M Plan to address the deficiencies outlined above.

5. § 192.12 Underground natural gas storage facilities.

(a) ...

(c) *Procedural manuals.* Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each

operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.

Teavee's written procedures for conducting operations, maintenance, and emergency preparedness and response activities were inadequate. Specifically, Teavee's O&M Plan lacked sufficient details for the operation of underground natural gas storage fields regarding drug and alcohol plans.

During the inspection, the inspectors reviewed Teavee's O&M Plan. The plan included sections addressing Underground Natural Gas Storage Facilities, Risk Assessment, Storage Field Map, Structure Map, Well Inspections, and the Emergency Response Plan.

Teavee's O&M Plan does not reference a Drug and Alcohol Testing Plan that is compliant with Part 199. Individuals who may work in the underground natural gas storage program, including company and contractor personnel, are not referenced in the Drug and Alcohol Plan.

Therefore, Teavee's written procedures were inadequate. Teavee must revise its O&M Plan to incorporate a Part 199 compliant Drug and Alcohol Plan and affirm its applicability to underground natural gas storage personnel.

6. § 192.12 Underground natural gas storage facilities.

(a) ...

(d) *Integrity management program—*

(1) ...

(4) *Integrity management procedures and recordkeeping.* Each UNGSF operator must establish and follow written procedures to carry out its integrity management program under API RP 1171 (incorporated by reference, see § 192.7), section 8 ("Risk Management for Gas Storage Operations"), and this paragraph (d). The operator must also maintain, for the useful life of the UNGSF, records that demonstrate compliance with the requirements of this paragraph (d). This includes records developed and used in support of any identification, calculation, amendment, modification, justification, deviation, and determination made, and any action taken to implement and evaluate any integrity management program element.

Teavee's written procedures for carrying out its integrity management program under API RP 1171, Section 8 were inadequate. Specifically, Teavee's O&M Plan, undated, lacked sufficient details for the operation of underground natural gas storage fields regarding risk management and integrity monitoring in accordance with API RP 1171, Section 8.

During the inspection, the PHMSA inspection team reviewed Teavee's O&M Plan, which included aspects addressing API RP 1171, Section 8 Risk Management of Gas Storage Operations. The inspection team identified the following elements of the integrity management plan that were of concern:

Risk Management for Storage Operations

1. The O&M Plan did not include any procedures on threat interaction. (API RP 1171, Section 8.3.2)
2. During the inspection, the PHMSA team discussed the importance of weighting factors in the risk

analysis, related to the probability and consequence components of the equation. The process should be more detailed and include appropriate weighting factors to be used in the calculation. (API RP 1171, Section 8.4.2)

3. The O&M Plan did not explain or define the risk factors that the operator uses to assess risk in a consistent manner and with a consistent methodology. (API RP 1171, Section 8.5.2)

4. The Teavee compliance staff indicated that a periodic review is performed (annually); however, the O&M Plan did not explicitly require this review. (API RP 1171, Section 8.5.2)

5. The O&M Plan did not identify appropriate preventive and mitigative measures, and cite an associated record or form for implementation of these measures, to address identified threats. (API RP 1171, Section 8.6.2)

6. The O&M Plan did not specify or describe a continual review and improvement cycle. (API RP 1171, Section 8.7.1)

Therefore, Teavee's written procedures required by 192.12(d)(4) were inadequate. Teavee must revise its O&M Plan to address the deficiencies listed above.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Enforcement Proceedings.

Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Teavee Oil & Gas Inc maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. In correspondence concerning this matter, please refer to **CPF 1-2021-008-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible. Smaller files may be emailed

to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings