



Wild Goose Storage, LLC
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November 4, 2022

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
robert.burrough@dot.gov

VIA ELECTRONIC MAIL

RE: Notice of Amendment CPF 1-2022-073-NOA

Dear Mr. Burrough:

Wild Goose Storage, L.L.C. (WGS) submits this written response to the Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding the subject Notice of Amendment. Acting as an agent of PHMSA, the California Geologic Energy Management Division (CalGEM) conducted an inspection of WGS procedures from April 19-22, 2021. On the basis of the inspection, PHMSA identified apparent inadequacies found within WGS's procedures and issued a Notice of Amendment which was received by WGS on October 6, 2022.

WGS responds to the subject Notice of Amendment in accordance with option (c) located within the "Response Options for Pipeline Operators in Enforcement Proceedings" guidance document:

- c. If you are contesting the Notice of Amendment but are not requesting an oral hearing, submit written explanations, information, or other materials in answer to the allegations in the Notice and stating your reasons for objecting to the Notice of Amendment items in whole or in part;*

Specifically, WGS addresses the Notice of Amendment findings as noted by PHMSA in the following enclosed documents:

- **Attachment #1** – WGS responses to Notice of Amendment findings
- **Attachment #2** – WGS updated Task Information and Practices System (TIPS) Work Task #14, Surface Casing Pressure Alarm Acknowledgment (Work Task 14), and Work Task #15, Tubing-Casing Annulus Pressure Alarm Acknowledgment (Work Task 15)
- **Attachment #3** – WGS updated TIPS Work Task #7, Well Pad Gas Detection (Work Task 7) and Work Task #10, Wellhead Valve Function Test (Work Task 10)
- **Attachment #4** – Excerpt from WGS Risk Management Plan (RMP) highlighting revisions to address risk assessment process

If you have any questions, or require more information, please contact me at **greg.clark@rockpointgs.com** or at (209) 368-9277 x3.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gregory N. Clark".

Gregory N. Clark
Senior Compliance Manager

Enclosures

cc: A. Anderson, G. Bozarth, M. Fournier, H. Gold, D. Smolinski (via e-mail)

Attachment #1





WGS responses to Notice of Amendment findings

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.

WGS' s written procedures for conducting operations, maintenance, and emergency preparedness and response activities were inadequate to ensure safe operation of a pipeline facility. Specifically, WGS's Risk Management Plan (RMP) Section 4.6.1, Monitor for Presence of Gas in All Annuli (Section 4.6.1) did not include sufficient detail regarding how annular gas occurrences that are deemed anomalous are defined and evaluated in accordance with API RP 1171, Section 9.3.2 (Section 9.3.2).

Section 9.3.2 states in part, "[t]he operator shall evaluate each annular gas occurrence that exceeds operator- or regulatory-defined threshold levels determined from well integrity evaluation and from risk assessment." RMP Section 4.6.1 stated in part, "WGS measures and records all annular and tubing pressure each day. Annular gas occurrences that are deemed anomalous will be evaluated and reported to the Division."

During the inspection, CalGEM reviewed WGS's RMP Section 4.6.1 and found that it did not include the process of how occurrences of annular gas that are deemed anomalous are determined and evaluated in its procedures.

Therefore, WGS' s written procedures required by § 192.12(c) were inadequate. WGS must revise its written procedures to include how annular gas occurrences that are deemed anomalous are defined and evaluated pursuant to Section 9 .3 .2.

WGS Response:

The WGS procedures that address API RP 1171 Section 9.3.2 are Task Information and Practices System (TIPS) Work Task #14, Surface Casing Pressure Alarm Acknowledgment (Work Task 14), and Work Task #15, Tubing-Casing Annulus Pressure Alarm Acknowledgment (Work Task 15). WGS has updated these TIPS to include additional detail regarding how annular gas occurrences are defined and evaluated pursuant to API RP 1171 Section 9.3.2. Please see Attachment #2.



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.

WGS's written procedures for conducting operations, maintenance, and emergency preparedness and response activities were inadequate to ensure safe operation of a pipeline facility. Specifically, WGS's Task Information and Practices System (TIPS) Work Task #7, Well Pad Gas Detection (Work Task 7) and Work Task #10, Wellhead Valve Function Test (Work Task 10) did not include sufficient detail to ensure consistent performance of the tasks, in accordance with API RP 1171, Section 9.3.2 (Section 9.3.2).

Section 9.3.2 states in part, "[t]he operator shall visually inspect each wellhead assembly at least annually for leaks. The operator shall test the operation of the master valve and wellhead pipeline isolation valve at least annually for proper function and ability to isolate the well."

During the inspection, CalGEM reviewed WGS's TIPS Work Task 7 and Work Task 10. Work Task 7 included seven steps to be followed to complete the task, while Work Task 10 included eight steps to be followed to complete the task. CalGEM noted that Work Task 7 step 2 and Work Task 10 step 4 did not provide sufficient details about the gas detection equipment to be used and the gas detection process. In addition, Work Task 7 step 5 did not provide sufficient detail about the process of taking caisson readings below grating level. The lack of detail regarding these processes could possibly result in operator error.

Therefore, WGS' s written procedures required by § 192.12(c) were inadequate. WGS must revise its written procedures to include sufficient detail to ensure consistent performance of Work Task 7 and Work Task 10.

WGS Response:

WGS has updated its TIPS to include additional detail regarding wellhead valve function tests and well pad gas detection. Please see Attachment #3.



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.

WGS's written procedures for conducting operations, maintenance, and emergency preparedness and response activities were inadequate to ensure safe operation of a pipeline facility. Specifically, WGS's RMP did not include a process to use risk assessments as a basis for developing integrity demonstration, verification, and monitoring tasks and evaluating their frequency requirements in accordance with API RP 1171, Section 9.2.2 (Section 9.2.2).

Section 9.2.2 states, in part, that "[r]isk assessments shall be used as a basis for developing the integrity demonstration, verification, and monitoring tasks and evaluating their frequency requirements (see Section 8)."

During the inspection, CalGEM reviewed WGS's RMP, Section 5.1, Field-Wide Quantitative Risk Assessment (Section 5.1). WGS provided Section 5.1 as the process used to meet the requirement in Section 9.2.2. However, Section 5.1 did not include a description or process for how risk assessments were used as a basis for developing integrity demonstration, verification, and monitoring tasks and evaluating their frequency requirements.

Therefore, WGS's written procedures required by § 192.12(c) were inadequate. WGS must revise its written procedures to include the use of risk assessments as a basis for developing integrity demonstration, verification, and monitoring tasks and evaluating their frequency requirements.

WGS Response:

WGS has updated its RMP Section 5.1 to include additional detail regarding risk assessments. Please see Attachment #4.

Attachment #2



**WGS updated Task Information and Practices System (TIPS)
Work Task #14, Surface Casing Pressure Alarm Acknowledgment
Work Task #15, Tubing-Casing Annulus Pressure Alarm Acknowledgment**