

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: Toby.McKenna@rockpointgs.com

September 14, 2023

Mr. Tobias McKenna
Chief Executive Officer
Wild Goose Storage, LLC
607 8th Ave. SW
Suite 400
Calgary, AB T2P 0A7

CPF 1-2023-054-NOA

Dear Mr. McKenna:

From August 15, 2022, through August 19, 2022, inspectors from the California Geologic Energy Management Division (CalGEM), acting as an agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Wild Goose Storage, LLC's (WGS) procedures for the Wild Goose Storage Field in Butte County, California.

As a result of the inspection, PHMSA has identified the apparent inadequacy found within WGS' plans or procedures. The item inspected and the inadequacy is described below:

1. **49 C.F.R. § 192.12 Underground natural gas storage facilities.**
 - (a) ...
 - (b) *Depleted hydrocarbon and aquifer reservoir UNGSFs*
 - (1) **Each UNGSF that uses a depleted hydrocarbon reservoir or an aquifer reservoir for natural gas storage and was constructed after July 18, 2017, must meet all provisions of API RP 1171 (incorporated by reference, *see* § 192.7), and paragraphs (c) and (d) of this section, prior to commencing operations.**

WGS construction procedures required by § 192.12(b)(1) were inadequate. Specifically, WGS' *Well & Reservoir Integrity Management Plan Manual*, Section 5.6 Well Remediation, Revised August 22, 2022 (Well Remediation Procedure) failed to satisfy API RP 1171, Sections 11.2.1 and

6.6.1 (Sections 11.2 and 6.6.1).

Section 11.2.1 requires, in part that “[t]he operator shall develop and follow procedures for the construction, operation, and maintenance of natural gas storage wells and reservoirs to establish and maintain functional integrity.” Correspondingly, as to those procedures governing the construction, operation, and maintenance of the Wild Goose Storage Field, Section 6.6.1 states “[a] well identified as having compromised mechanical integrity shall be evaluated and responsive action implemented within a timeframe and by method(s) determined by the operator and corresponding to the severity of the integrity risk.”

During the inspection, PHMSA reviewed WGS’ Well Remediation Procedure, and found that it failed to provide adequate information on how to specifically evaluate and implement response action for wells identified as having compromised mechanical integrity. Specifically, the Well Remediation Procedures generally just repeats the language of 6.6.1 quoted above, and does not describe procedures addressing evaluation of a well having compromised mechanical integrity.

Therefore, WGS’ written procedures governing the construction, operation, and maintenance of the Wild Goose Storage Field to establish and maintain functional integrity required by §192.12(b)(1) were inadequate. WGS must revise its process to address the deficiency outlined 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 Compliance 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 Wild Goose Storage, LLC 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. In correspondence concerning this matter, please refer to **CPF 1-2023-054-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings