

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: paul.bieniawski@enstorinc.com

April 30, 2024

Paul Bieniawski
Chief Executive Officer
Grama Ridge Storage and Transportation, LLC
a subsidiary of Enstor Gas, LLC
10375 Richmond Avenue Suite 1900
Houston, TX, 77042

CPF 1-2024-044-NOA

Dear Mr. Bieniawski:

From December, 4th, 2023 to December 7th, 2023, and on February 20th, 2024, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Grama Ridge Storage & Transportation, LLC's (Grama Ridge) procedures for Grama Ridge Storage Facility in Eunice, New Mexico.

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

Gramma Ridge's written procedures for conducting operations and maintenance activities were inadequate to ensure safe operation of a pipeline facility. Specifically, GRS's *1302-Wellhead Safety Inspections* (Valve Testing Procedure) failed to require that the wing valve (wellhead isolation valve) be tested for isolation pursuant to American Petroleum Institute Recommended Practice 1171 (API RP 1171) (2015), Section 9.3.2 – Well Integrity Monitoring (Section 9.3.2).

API RP 1171, Section 9.3.2 states in part that “[t]he 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, PHMSA reviewed the Valve Testing Procedure and determined that the procedure was inadequate. On page 2 of 3 of the procedure under “Test Procedure,” bullet 8 from the top states “For reservoirs, fully function test all isolation valves and verify proper isolation of well.” The procedure is not specific and did not discuss which valves were to be tested for isolation testing as required by API RP 1171, Section 9.3.2. Upon discussions and review of records, it was found that the downstream pipeline valve was being isolation tested and not the wing valve of the wellhead.

Therefore, Gramma Ridge's written procedures required by § 192.12(c) pursuant to meeting the requirements of Section 9.3.2 were inadequate to ensure public safety. Gramma Ridge must revise its procedures 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 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 Grama Ridge Storage & Transportation, 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 1-2024-044-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

P.P.

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

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*