

WARNING LETTER

VIA ELECTRONIC MAIL TO: Robinson@RobinsonEngineering.net

June 7, 2024

Mr. Charles Robinson
President
Egyptian Gas Storage Corp
1410 North Cullen Avenue
Evansville, Indiana 47715

CPF 1-2024-047-WL

Dear Mr. Robinson:

From December 12 – 14, 2023, inspectors from the Illinois Department of Natural Resources acting as a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an on-site inspection of Egyptian Gas Storage Corp's (EGSC) Mills underground natural gas storage facility in Gallatin County, Illinois.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. **§ 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.**

Egyptian failed to meet the provisions of API RP 1171, Section 6. Specifically, Egyptian failed to maintain records of on-site safety meetings conducted during well workover activities as required by API RP 1171, Section 6.11.2.

API RP1171, Section 6.11.2 requires operators to retain records for certain well workover activities, including those for environmental, health, and safety considerations related to on-site safety meetings.

During the inspection, Egyptian provided to PHMSA copies of its safety manual and a record for well workover activities for Holland-Willis #2 at its Mills storage field. The safety manual addressed jobsite safety inspections in Section 4, including a checklist for items to be covered, which included safety meetings. However, there were no records provided or discussed during the inspection that provided any details of jobsite safety meetings, including the specific well workover documentation at Holland-Willis #2.

Therefore, Egyptian failed to meet the provisions of API RP 1171, Section 6 by failing to maintain records of its on-site safety meetings as required by API RP1171, Section 6.11.2.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not 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.

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 item identified in this letter. Failure to do so will result in Egyptian Gas Storage Corp 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 1-2024-047-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,

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