

WARNING LETTER

VIA ELECTRONIC MAIL TO: david.slater@dtmidstream.com

May 29, 2025

Mr. David Slater
President and Chief Executive Officer
DT Midstream Gas Storage Company
500 Woodward Avenue
Detroit, Michigan 48226

CPF 1-2025-015-WL

Dear Mr. Slater:

From May 29 to May 31 and July 23 to July 25, 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 DT Midstream Gas Storage Company's (DTM) Washington 10 Complex underground natural gas storage facility in Macomb, Michigan.

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

1. § 192.12 Underground natural gas storage facilities.

(a) ...

(b) *Depleted hydrocarbon and aquifer reservoir UNGSFs.*

(1) ...

(2) Each UNGSF that uses a depleted hydrocarbon reservoir or an aquifer reservoir for natural gas storage and was constructed on or before July 18, 2017, must meet the provisions of API RP 1171 (incorporated by reference, see §192.7), sections 8, 9, 10, and 11, and paragraph (c) of this section, by January 18, 2018, and must meet all provisions of paragraph (d) of this section by March 13, 2021.

DTM failed to meet the provisions of American Petroleum Institute Recommended Practice 1171 (API RP 1171), Section 9. Specifically, DTM's records did not demonstrate that functional

integrity of the reservoir was maintained in an ongoing basis in accordance with API RP 1171, Section 9.2.1 (Section 9.2.1).

Section 9.2.1 states in part, “[t]he operator shall maintain functional integrity of storage wells and reservoirs. Storage wells and reservoirs can have different characteristics resulting in unique requirements in approaching integrity demonstration, verification, and monitoring.”

During the inspection, PHMSA reviewed DTM’s Washington 10 reservoir records pertaining to gas storage inventory assessment and verification. The *Washington 10 Gas Storage Field: Fall 2021 Inventory Report* indicated a quantified possible loss of 2.546 BCF storage gas. The *Washington 10 Gas Storage Field: Fall 2022 Inventory Report* indicated as well quantified possible loss of 2.729 BCF storage gas attributed to multiple uncertainties such accounting, measurement accuracy, and geologic aspects. Due to these issues from reservoir integrity assessment and verification records, DTM could not demonstrate functional integrity of Washington 10 reservoir. *Washington 10 Gas Storage Field Geological Characterization June 2022* report noted that there was work necessary to reduce reservoir risk including: “[r]eview off-reef Regional Brown Niagaran penetrations along the southern Michigan reef trend to study inter-reef formation characteristics compared to near-reef formation characteristics” and “[e]valuate Bass Island formation for another shallower vertical containment formation.”

Therefore, DTM failed to demonstrate that functional integrity of the reservoir as required API RP 1171, Section 9.2.1, pursuant to § 192.12(b)(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.

DTM failed to prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness. Specifically, DTM failed to follow its *1050 Gas Storage Well Site Security and Safety* procedure, revision September 2024, Section 4.10.1 (MS-OPS-S011) regarding documenting annual well site safety and security reviews.

DTM's MS-OPS-S011 stated in part:

The Operations Manager shall schedule and the Storage IM Program Owner verify the completion of an annual well site inspection for active injection, withdrawal, and observation wells to occur once each calendar year, not to exceed 15-months, for review of safety and security of the wellhead, well site, access roads, and above-ground equipment (API 1171 10.5), documented on the applicable inspection form (1050-1 for active wells and 1050-2 for plugged wells).

During the inspection, PHMSA reviewed annual well site inspection documentation pertaining to site security of wells at the storage facility. For calendar year 2023, *Form 1050-1 Well Inspection Form* for wells Couch Estate Well 2-22 and Frost Well 1-21 were missing information and inadequate in demonstrating site security of these wells had been conducted and reviewed.

Therefore, DTM failed to follow its MS-OPS-S011 procedure regarding documenting annual well site safety and security reviews for two wells during calendar year 2023.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not 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.

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 items identified in this letter. Failure to do so will result in DTM Gas Storage Company 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 1-2025-015-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