



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

VIA EMAIL TO: CEO@tallgrass.com

May 29, 2026

Matt Sheehy
President & Chief Executive Officer
Tallgrass Interstate Gas Transmission, LLC
370 Van Gordon Street
Lakewood, CO 80228

CPF 1-2026-044-NOPV

Dear Mr. Sheehy:

From September 30 through October 2, 2025, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), Eastern Region, pursuant to Chapter 601 of Title 49 United States Code (U.S.C.), inspected Tallgrass Interstate Gas Transmission, LLC's (Tallgrass or Respondent) Huntsman Underground Natural Gas Storage Facility (UNGSF) in Cheyenne County, Nebraska.

As a result of the inspection, it is alleged that Tallgrass has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR) Parts 191 and 192. The item inspected and the probable violation is:

1. § 192.12 Underground natural gas storage facilities.

Underground natural gas storage facilities (UNGSFs), as defined in § 192.3, are not subject to any requirements of this part aside from this section.

(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.

Tallgrass failed to follow its written procedures for conducting operations, maintenance, and emergency preparedness and response activities in accordance with section 192.12(c). Specifically, Tallgrass failed to annually test the isolation of all wells at its Huntsman UNGSF in calendar year 2024 in accordance with its procedure, *GSIMP 28 Testing and Inspection Valves including Surface and Subsurface Safety Valves* (08/22/2023) (GSIMP 28).

Section 3.2.3 in GSIMP 28 required Field Operations personnel to test the master valve, side gate valves, and other well isolation valves as applicable, at least annually not to exceed 15 months for proper function and for ability to isolate the well, using a valve testing protocol consisting of fully cycling each valve (fully closing and fully opening it) to confirm proper function.

During the inspection, Eastern Region reviewed Tallgrass's procedures and records for wellhead valve isolation testing. In 2024, Tallgrass failed to follow section 3.2.3 in GSIMP 28 by failing to test the ability of all master valves and wellhead pipeline isolation valves to isolate the wells. Only 28 of 57 wells were tested for isolation per the procedure in GSIMP 28, section 3.2.3 and documented according to GSIMP 28, section 3.2.4 using Tallgrass' 2024 HMGS Valve Maintenance & Inspection form. Tallgrass stated that three wells were not tested for valve isolation in accordance with GSIMP 28 because they were isolated with a bridge plug. As for the remaining 26 wells, Tallgrass asserted there was valve isolation since the valves were used to isolate the well during a workover. However, Tallgrass failed to provide records demonstrating that those 26 well isolations were performed in accordance with GSIMP 28.

Therefore, Tallgrass failed to follow its written procedures for conducting operations, maintenance, and emergency preparedness and response activities in accordance with section 192.12(c).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, Respondent is 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 violations 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 violations 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 violations 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 \$2,391,412 for a related series of violations. For violations 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 violations 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 violations 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 propose a civil penalty assessment at this time.

Proposed Compliance Order

With respect to Item 1, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Tallgrass Interstate Gas Transmission LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

This Notice is issued in accordance with 49 CFR § 190.207(c). Any response Respondent may have submitted to the original Notice is no longer applicable. Respondent must respond as set forth below.

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. All material Respondent submits in response to this enforcement action may be made publicly available. If Respondent believes that any portion of its responsive material qualifies for confidential treatment under 5 U.S.C. § 552(b), along with the complete original document, Respondent must provide a second copy of the document with the portions Respondent believes qualify for confidential treatment redacted and an explanation of why Respondent believes the redacted information qualifies for confidential treatment under 5 U.S.C. § 552(b).

Following receipt of this Notice, Respondent has 30 days to respond as described in the enclosed *Response Options*. If Respondent does not respond within 30 days of receipt of this Notice, this constitutes a waiver of Respondent's 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 Respondent and to issue a Final Order. If Respondent is responding to this Notice, we propose that Respondent submit its correspondence to my office within 30 days from receipt

of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In Respondent's correspondence on this matter, please refer to **CPF 1-2026-044** and, for each document Respondent submits, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

cc: Danielle Stephens, Director, Compliance, Tallgrass, danielle.stephens@tallgrass.com
Crystal Heter, Chief Operating Officer, Tallgrass, crystal.heter@tallgrass.com

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Tallgrass Interstate Gas Transmission LLC (Tallgrass) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Tallgrass with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to Tallgrass's failure to follow its written procedures for conducting operations, maintenance, and emergency preparedness and response activities by not conducting isolation testing for all master valves and wellhead pipeline isolation valves in accordance with its procedures, Tallgrass must test the operation of master valves and wellhead pipeline isolation valves for ability to isolate the well in accordance with its GSIMP procedures and provide records of this testing within 30 days of receipt of the Final Order.
- B. It is requested (not mandated) that Tallgrass maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.