



919 Milam Street
Suite 2425
Houston, Texas 77002
T 832.500.7590

May 8, 2026

Via Email

Mr. Robert Burrough, Director
Pipeline and Hazardous Materials Safety Administration, Eastern Region
820 Bear Tavern Rd, Suite 300
West Trenton, New Jersey 08628
Email: robert.burrough@dot.gov

RE: PHMSA Warning Letter dated February 13, 2026 – **CPF 1-2026-045-WL**
– Golden Triangle Storage, LLC (88293) Response

Mr. Burrough,

Caliche Development Partners III – Golden Triangle Storage, LLC (GTS) submits this response to the warning letter issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) on April 8, 2026, following the November 16, 2025, inspection of GTS's underground natural gas storage facility located in Beaumont, Texas. Please find below the written responses to the warning letter's findings for your review and consideration.

Warning Letter Item Number 1

§ 192.12 Underground natural gas storage facilities.

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

(a) Salt cavern UNGSTFs.

(1) ...

(3) Each UNGSTF that uses a solution-mined salt cavern for natural gas storage and was constructed on or before July 18, 2017, must meet the provisions of API RP 1170 (incorporated by reference, see § 192.7), sections 9, 10, and 11, and paragraph (c) of this section, by January 18, 2018, and must meet all provisions of section 8 of API RP 1171 (incorporated by reference, see § 192.7) that are applicable to the physical characteristics and operations of a solution-mined salt cavern UNGSTF, and paragraph (d) of this section, by March 13, 2021.



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PHMSA Issue Summary:

Section 8.3.2 in API RP 1171 required the operator to use available information to assess threat and hazard interaction. During the inspection, PHMSA reviewed GTS's *Cavern Integrity and Risk Management Plan* (October 2025) (Risk Management Plan). Section 4.1.1 in the Risk Management Plan stated that GTS uses available information to assess threat and hazard interaction. However, during the record review, GTS's Risk Assessment Model lacked any threat and hazard interaction assessment. In addition, GTS noted that it failed to meet this requirement in the Cavern Annual Risk Assessment Form completed on November 10, 2025, which stated, "it is understood that the model employed does not perform an interactive threat analysis that would further characterize facility and operational risk."

GTS failed to meet all provisions of section 8 in API RP 1171 that are applicable to the physical characteristics and operations of a solution-mined salt cavern UNGSF for its UNGSF that uses a solution-mined salt cavern for natural gas storage and was constructed on or before July 18, 2017, in accordance with section 192.12(a)(3).

GTS Response:

GTS appreciates PHMSA's review of our *Cavern Integrity and Risk Management Plan*. Prior to PHMSA's inspection, GTS implemented 10 additional performance measures that specifically address wells, caverns, and operations.

Additionally, GTS identified two (2) interactive threats as candidates for potential mitigation.

- First, GTS recognizes the possibility that the residual tubular strength (i.e. tubular thinning) threat may combine with process safety management and organization factors to produce integrity risk. GTS will assess the tubular upgrades during mechanical integrity testing (MIT) and will replace tubulars as needed.
- Second, GTS will assess the geological issues associated with natural features and forces that may combine with process safety management and organizational factors to identify potential threats to cavern integrity. Through this assessment, GTS will foster more current 3D cavern surveys (sonars) minimally every five (5) years on existing Caverns 1 & 2, with a cavern survey and MIT for Cavern 2 scheduled to be completed in May 2026.

GTS's consideration of these interactive threats will help us to better manage potential risk at the facility.



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GTS is also in the process of updating its Operation and Maintenance Plan and its Integrity and Risk Management Plan to address PHMSA's incorporation by reference of the second editions of API RP 1170, *Design and Operation of Solution-mined Salt Caverns Used for Natural Gas Storage*, and API RP 1171, *Functional Integrity of Natural Gas Storage in Depleted Hydrocarbon Reservoirs and Aquifer Reservoirs*.¹ In its Integrity and Risk Management Plan, GTS will implement a new cavern risk model based on API RP 1170, Second Edition, and section 8 of API RP 1171, Second Edition,² which takes interactive threats into consideration. GTS will also incorporate procedures for conducting annual risk assessment reviews and identifying new threats and hazards.

GTS places public safety as its highest priority and is committed to operating its storage facility safely. Please feel free to contact me directly if PHMSA requires any further information from the above response.

Kind Regards,

Afton Sterling

Afton Sterling, JD, CCEP
VP – Health, Safety, Environmental, and Regulatory
Caliche Development Partners III – Golden Triangle Storage, LLC
919 Milam Street, Suite 2425
Houston, TX 77002
Email: asterling@calichestorage.com
Phone: 570.617.5939

¹ On July 1, 2025, PHMSA published a direct final rule titled "Pipeline Safety: Standards Update – API RP 1170 and API RP 1171", which incorporated by reference the second editions of API RP 1170 and API RP 1171 into Part 192 (90 FR 28086).

² PHMSA's incorporation of API RP 1170 (Second Edition) introduces a risk management framework in Section 8 that was not included in the First Edition. In a 2020 final rule, PHMSA noted it was adopting by reference Section 8 of API RP 1171 (First Edition) into § 192.12 to supplement the risk management practices omitted from the First Edition of API RP 1170 (85 FR 8104, 8105). This gap has been addressed in the Second Edition of API RP 1170, which now contains a risk management process in Section 8 that mirrors Section 8 of API RP 1171 (Second Edition), with the exception of the structure-specific examples provided in Tables 1 and 2. In light of these developments, GTS has developed and is implementing a risk model that aligns with Section 8 of API RP 1170 and API RP 1171 (Second Editions), and applies that model across its salt cavern portfolio to support compliance with applicable regulatory requirements.