



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

901 Locust Street, Suite 462
Kansas City, MO 64106-2641

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 2, 2018

Mr. Kirk Aubry
President and Chief Executive Officer
Savage Bakken Connector, Inc.
901 W Legacy Center Way
Midvale, Utah 84047

CPF 3-2018-5001

Dear Mr. Aubry:

On March 28 – 29 and follow up through December 8, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your Bakken 10" Connector's Construction Records in Williston, ND.

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 items inspected and the probable violation is:

1. §195.262 (c) Pumping equipment.

(c) Each safety device must be tested under conditions approximating actual operations and found to function properly before the pumping station may be used.

Savage did not test the safety devices under conditions approximating actual operations before product was put in the pipeline. PHMSA requested records that documented the testing of the safety devices. Savage replied, in an email, that 14 Pressure Safety Valves (PSV) were not tested under conditions approximating actual operations.

An email dated October 16, 2017, from the Sr. Project Manager with Savage, stated "Savage did not perform secondary testing on the PSVs prior to being installed." Savage did not test 14 PSVs in place on the pipeline prior to beginning operations.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 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.

With respect to item(s) 1 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Savage Bakken Connector, Inc. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance 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, or request a hearing under 49 CFR § 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 3-2018-5001** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Allan C. Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

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

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Savage Bakken Connector, Inc. a Compliance Order incorporating the following remedial requirements to ensure the compliance of Savage Bakken Connector, Inc. with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to safety devices not being tested under conditions approximating actual operations before product was put in the pipeline, Savage Bakken Connector, Inc. must test all safety devices within 30 days of the issuance of the Final Order.
2. It is requested (not mandated) that Savage Bakken Connector, Inc. maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Allan C. Beshore, Director, Central 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.