

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 26, 2019

Mr. Troy Andrews
Chief Executive Officer
Paradigm Energy Partners
LLC 545 East John Carpenter Freeway, Suite 800
Irving, Texas 75062

CPF 3-2019-6010M

Dear Mr. Andrews:

On January 24-26, 2017, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Paradigm Midstream Services – ND, LLC procedures for operations, maintenance, control room, operator qualification and public awareness in Keene, North Dakota.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Paradigm's plans or procedures, as described below:

1. §195.446 Control room management.

(e) Alarm management. Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

(1) Review SCADA safety-related alarm operations using a process that ensures alarms are accurate and support safe pipeline operations;

(2) Identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities;

(3) Verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months;

(4) Review the alarm management plan required by this paragraph at least once each calendar year, but at intervals not exceeding 15 months, to determine the effectiveness of the plan;

(5) Monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months, that will assure controllers have sufficient time to analyze and react to incoming alarms; and

(6) Address deficiencies identified through the implementation of paragraphs (e)(1) through (e)(5) of this section.

Paradigm's Control Room Management plan is missing sections on maintenance, alarm philosophy, detailed design and other topical sections. Also, there was no procedure for developing alarm set points. Finally, there is no procedure to address Item (3) above. Paradigm developed an alarm set point procedure and maintenance section in a separate procedure from its alarm management plan in response to this finding. It is not clear how the new procedure and the existing alarm management procedures mesh to provide a comprehensive alarm management plan. Paradigm must amend its alarm management plan to include a procedure to: Verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months. Paradigm must also clarify how various alarm management procedures work together. It is recommended that Paradigm also review the below list of topical areas for an alarm management plan and add applicable sections to its alarm management plan.

- Alarm philosophy
- Alarm identification
- Alarm rationalization, not necessarily alarm reduction.
- Detailed design
- Implementation
- Operation
- Maintenance
- Monitoring
- Assessment (including a method to confirm effective controller response)
- Internal audits

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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, revised procedures, or a request for a hearing under §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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that [Company name] maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to [Region Director's name], Director, [Region], Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2019-6010M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

Copy:

Mr. Tommy Janik, Chief Operating Officer
Paradigm Midstream Services – ND, LLC.
545 East John Carpenter Freeway, Suite 800,
Irving, TX 75062