

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: BradC@savageservices.com and
KevinBurke@savageservices.com

July 22, 2021

Mr. Brad Crist
Sector President, Savage Energy & Chemical
Savage Bakken Connector, Inc.
901 W Legacy Center Way
Midvale, UT 84047

CPF 3-2021-014-NOA

Dear Mr. Crist:

From February 18, 2020 through November 6, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Savage Bakken Connector, Inc. (Savage or Operator) procedures for operations and maintenance, operator qualification, public awareness, damage prevention, facilities and storage, time dependent threats, and emergency response in Williston, North Dakota.

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

1. § 195.234 Welds: Nondestructive testing.

(a)

(b) Any nondestructive testing of welds must be performed—

(1) In accordance with a written set of procedures for nondestructive testing

Savage' O&M Manual is inadequate as it failed to state any nondestructive testing of welds must be performed in accordance with a written set of procedures for nondestructive testing required by § 195.234(b)(1). Savage must amend its procedures to correct this inadequacy.

2. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**

- (a) **General.** Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

§ 195.403 Emergency response training.

- (a)
- (b) *At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:*
- (1) *Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and*
- (2) *Make appropriate changes to the emergency response training program as necessary to ensure that it is effective.*

Savage's O&M Manual was inadequate in that it did not have a procedure for Emergency Response Plan training review. Savage's procedures failed to have elements of § 195.403(b)(1), (2). Savage has submitted procedures that satisfactorily addressed this item. No further action is required.

3. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**

- (a) **General.** Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

§ 195.402 Procedural manual for operations, maintenance, and emergencies.

- (a)
- (c) *Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:*
- (1)

(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

Savage's O&M Manual was inadequate in that procedure 10.03 Section 4.2.2 failed to specify how procedures are reviewed (by who, when and what procedures). Savage has submitted procedures that satisfactorily addressed this item. No further action is required.

4. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a)

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(2) Gathering of data needed for reporting accidents under subpart B of this part in a timely and effective manner.

§ 195.52 Immediate notice of certain accidents.

(a) Notice requirements. At the earliest practicable moment following discovery, of a release of the hazardous liquid or carbon dioxide transported resulting in an event described in §195.50, but no later than one hour after confirmed discovery, the operator of the system must give notice, in accordance with paragraph (b) of this section of any failure that:

Savage's O&M Manual fails to state reportable accidents will be reported no later than one hour. Savage modified their O&M manual to include accidents will be reported no later than one hour. No further action required.

5. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§ 195.420 Valve maintenance.

(a)

(c) Each operator shall provide protection for each valve from unauthorized operation and from vandalism.

Savage's O&M Manual is inadequate as it had no procedure to provide protection, for each valve, from unauthorized operation and from vandalism. Savage modified its O&M to include a procedure to provide protection for each valve from unauthorized operation and from vandalism. No further action required.

6. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a)

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§ 195.432 Inspection of in-service breakout tanks.

(a)

(b) Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 (except section 6.4.3, Alternative Internal Inspection Interval) (incorporated by reference, see § 195.3). However, if structural conditions prevent access to the tank bottom, its integrity may be assessed according to a plan included in the operations and maintenance manual under § 195.402(c)(3). The risk-based internal inspection procedures in API Std 653, section 6.4.3 cannot be used to determine the internal inspection interval.

Section 6 of API Standard 653 3rd Edition, December 2001

6.3.1 Routine In-Service Inspections

6.3.1.1 The external condition of the tank shall be monitored by close visual inspection from the ground on a routine basis. This inspection may be done by owner/operator personnel, and can be done by other than authorized inspectors as defined in 3.6. Personnel performing this inspection should be knowledgeable of the storage facility operations, the tank, and the characteristics of the product stored.

6.3.1.2 The interval of such inspections shall be consistent with conditions at the particular site, but shall not exceed one month.

6.3.1.3 This routine in-service inspection shall include a visual inspection of the tank's exterior surfaces. Evidence of leaks; shell distortions; signs of settlement; corrosion; and condition of the foundation, paint coatings, insulation systems, and appurtenances should be documented for follow-up action by an authorized inspector.

Savage did not have a procedure to inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653. Savage has submitted procedures that satisfactorily addressed this item. No further action is required.

7. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a)

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§ 195.452 Pipeline integrity management in high consequence areas.

(a) . . .

(b) What program and practices must operators use to manage pipeline integrity? Each operator of a pipeline covered by this section must:

(1) Develop a written integrity management program that addresses the risks on each segment of pipeline in the first column of the following table not later than the date in the second column:

<i>Pipeline</i>	<i>Date</i>
<i>Category 1</i>	<i>March 31, 2002.</i>
<i>Category 2</i>	<i>February 18, 2003.</i>
<i>Category 3</i>	<i>1 year after the date the pipeline begins operation.</i>

Savage's procedure was inadequate because it did not include guidance on how to identify an HCA. Specifically, based upon NPMS data, PHMSA identified that Savage's pump station and about half the length of the pipeline are in an HCA. As a result, Savage needs to develop a pipeline Integrity Management Plan and a Facilities Integrity Management Plan as required which includes HCA identification. Savage has submitted procedures that satisfactorily addressed this item. No further action is required.

8. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a)

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§ 195.559 What coating material may I use for external corrosion control?

Coating material for external corrosion control under § 195.557 must—

(a) Be designed to mitigate corrosion of the buried or submerged pipeline;

- (b) Have sufficient adhesion to the metal surface to prevent under film migration of moisture;*
- (c) Be sufficiently ductile to resist cracking;*
- (d) Have enough strength to resist damage due to handling and soil stress;*
- (e) Support any supplemental cathodic protection;*

Savage's O&M Manual was inadequate as procedure 30.04 did not specify the external pipe coating be designed to mitigate corrosion of the buried or submerged pipeline, have sufficient adhesion to the metal surface to prevent under film migration of moisture, be sufficiently ductile to resist cracking, have enough strength to resist damage due to handling and soil stress, and support any supplemental cathodic protection. Savage must amend its procedures to correct this inadequacy.

9. § 195.402 Procedural manual for operations, maintenance, and emergencies.

- (a) . . .**
- (c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
- (3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

§ 195.571 What criteria must I use to determine the adequacy of cathodic protection?

Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained paragraphs 6.2.2, 6.2.3, 6.2.4, 6.2.5 and 6.3 in NACE SP 0169 (incorporated by reference, see § 195.3).

Savage' O&M Manual was inadequate as 30.05 section 4 allows e log I and net proactive current criteria which are not allowed in § 195.571. Savage must amend its procedure to comply with the criteria noted in paragraphs 6.2.2, 6.2.3, 6.2.4, 6.2.5 and 6.3 in NACE SP 0169. Savage has submitted procedures that satisfactorily addressed this item. No further action is required.

10. § 195.402 Procedural manual for operations, maintenance, and emergencies.

- (a) . . .**
- (c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
- (3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

§ 195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?

- (a) . . .*
- (b) Coating material must be suitable for the prevention of atmospheric corrosion.*

Savage's O&M Manual was inadequate as procedure 30.04 section 3.0 did not specify that atmospheric corrosion coatings be suitable for the preventions of atmospheric corrosion. Savage has submitted procedures that satisfactorily addressed this item. No further action is required.

11. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§ 195.589 What corrosion control information do I have to maintain?

(a) You must maintain current records or maps to show the location of—

(1) Cathodically protected pipelines;

(2) Cathodic protection facilities, including galvanic anodes, installed after January 28, 2002; and

(3) Neighboring structures bonded to cathodic protection systems.

Savage' O&M Manual was inadequate as its procedure failed to state that records or maps must include catholically protected facilities for the pipelines and pump station, and that such records or maps must be maintained. Savage must amend its procedures to correct this inadequacy.

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 Enforcement 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 [number of days] 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 Savage maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Gregory A. Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2021-014-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Gregory A. Ochs
Director, Central Region OPS
Pipeline and Hazardous Materials Safety Administration

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

cc: KevinBurke@savageservices.com Kevin Burke, Senior Vice President, Industry Unit Leader,
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