

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: mos@everdesk.com and BMcDowell@BOEMidstream.com

October 6, 2021

Mr. Michael O'Shaughnessy
President/CEO
BOE Midstream
8301 E. 21st Street North, Suite 420
Wichita, KS 67206

CPF 3-2021-050-NOA

Dear Mr. O'Shaughnessy:

On January 26, March 10-12, March 29-31, and April 21-22, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected BOE Midstream's (BOE) procedures for operations and maintenance, integrity management, damage prevention, public awareness and design and construction virtually.

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

1. **§ 195.222 Welders and welding operators: Qualification of welders and welding operators.**
 - (a) **Each welder or welding operator must be qualified in accordance with section 6, section 12, Appendix A or Appendix B of API Std 1104 (incorporated by reference, see § 195.3), or section IX of the ASME Boiler and Pressure Vessel Code (ASME BPVC), (incorporated by reference, see § 195.3) except that a welder or welding operator qualified under an earlier edition than listed in § 195.3, may weld but may not requalify under that earlier edition.**

BOE's procedures were inadequate because O&M Section 7.2.1 Leak Repair and 7.2.2 Corrosion Repair allow welders to be qualified to API 1107. Before the end of the inspection BOE submitted amended procedures that comply with regulations. No further action is needed.

2. § 195.234 Welds: Nondestructive testing.

(a)

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

(2) With personnel that have been trained in the established procedures and in the use of the equipment employed in the testing.

BOE's procedures were inadequate because there was no procedure stating the qualification requirements for non-destructive testing personnel. BOE must amend its procedures to meet the requirements of § 195.234(b)(2).

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

(a)

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;

(3) Having personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency.

BOE's procedures were inadequate because the emergency plan contractor list was not accurate. Before the end of the inspection BOE submitted amended procedures that comply with regulations. No further action is needed.

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

(a)

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;

(5) Control of released hazardous liquid or carbon dioxide at an accident scene to minimize the hazards, including possible intentional ignition in the cases of flammable highly volatile liquid.

BOE's procedures were inadequate because there was no procedure covering the control of released hazardous liquid at an accident scene. Before the end of the inspection BOE submitted amended procedures that comply with regulations. No further action is needed.

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

(a)

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;

(6) Minimization of public exposure to injury and probability of accidental ignition by assisting with evacuation of residents and assisting with halting traffic on roads and railroads in the affected area, or taking other appropriate action.

BOE's procedures were inadequate because there was no procedure covering minimization of public exposure at an accident. Before the end of the inspection BOE submitted amended procedures that comply with regulations. No further action is needed.

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

(a)

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs; (7) Notifying fire, police, and other appropriate public officials of hazardous liquid or carbon dioxide pipeline emergencies and coordinating with them preplanned and actual responses during an emergency, including additional precautions necessary for an emergency involving a pipeline system transporting a highly volatile liquid.

BOE's procedures were inadequate because there was no procedure covering the criteria for notifying public officials in the event of an emergency. Before the end of the inspection BOE submitted amended procedures that comply with regulations. No further action is needed.

7. § 195.440 Public awareness.

(a) Each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, *see* § 195.3).

BOE's procedures were inadequate because there was no statement of management support for the public awareness program as required by Section 2.5 of API RP 1162. BOE submitted a statement of management support on April 30, 2021 that is inadequate because there is no statement regarding commitment of management participation and allocation of resources and funding and was not signed by a senior management executive. BOE must further amend its procedures to meet the requirements of Section 2.5 of API RP 1162.

8. § 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 no later than the date in the second column:

Pipeline	Date
Category 1	March 31, 2002.
Category 2	February 18, 2003.
Category 3	Date the pipeline begins operation or as provided in §195.12 for low stress pipe-lines in rural areas.

(g) What is an information analysis? In periodically evaluating the integrity of each pipeline segment (see paragraph (j) of this section), an operator must analyze all available information about the integrity of its entire pipeline and the consequences of a possible

failure along the pipeline. Operators must continue to comply with the data integration elements specified in §195.452(g) that were in effect on October 1, 2018, until October 1, 2022. Operators must begin to integrate all the data elements specified in this section starting October 1, 2020, with all attributes integrated by October 1, 2022. This analysis must:

(1) Integrate information and attributes about the pipeline that include, but are not limited to:

- (i) Pipe diameter, wall thickness, grade, and seam type;
- (ii) Pipe coating, including girth weld coating;
- (iii) Maximum operating pressure (MOP) and temperature;
- (iv) Endpoints of segments that could affect high consequence areas (HCAs);
- (v) Hydrostatic test pressure including any test failures or leaks - if known;
- (vi) Location of casings and if shorted;
- (vii) Any in-service ruptures or leaks - including identified causes;
- (viii) Data gathered through integrity assessments required under this section;
- (ix) Close interval survey (CIS) survey results;
- (x) Depth of cover surveys;
- (xi) Corrosion protection (CP) rectifier readings;
- (xii) CP test point survey readings and locations;
- (xiii) AC/DC and foreign structure interference surveys;
- (xiv) Pipe coating surveys and cathodic protection surveys.
- (xv) Results of examinations of exposed portions of buried pipelines (i.e., pipe and pipe coating condition, see §195.569);
- (xvi) Stress corrosion cracking (SCC) and other cracking (pipe body or weld) excavations and findings, including in- situ non-destructive examinations and analysis results for failure stress pressures and cyclic fatigue crack growth analysis to estimate the remaining life of the pipeline;
- (xvii) aerial photography;
- (xviii) Location of foreign line crossings;
- (xix) Pipe exposures resulting from repairs and encroachments;
- (xx) Seismicity of the area; and
- (xxi) Other pertinent information derived from operations and maintenance activities and any additional tests, inspections, surveys, patrols, or monitoring required under this part.

BOE's procedures were inadequate because no updates have been made to begin integration of the new data elements requirements under § 195.452(g), as amended on October 1, 2019. BOE must amend its procedures to meet the requirements of Amendment. 195-102, 84 FR 52260, Oct. 1, 2019 which were effective October 1, 2020 for § 195.452(g).

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 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 BOE Midstream 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, OPS, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2021-050-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: Mr. Brandon McDowell, Director – ND Operations & Regulatory Compliance, 8301 E. 21st Street North, Suite 420, Wichita, KS 67206, BMcDowell@BOEMidstream.com