



Navajo Nation Oil & Gas Co.
50 Narbono Cir W.
Window Rock, AZ 86515

Via Email

May 24, 2022

Mr. Gregory A. Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 480
Kansas City, Missouri 64106-2641

**RE: Response of Navajo Nation Oil and Gas Co.
CPF 3-2022-035-NOA**

Dear Mr. Ochs,

Pursuant to 49 C.F.R. § 190.206(a), the Navajo Nation Oil and Gas Co.(NNOGC) submits this response to the Notice of Amendment (Notice) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) on March 1, 2022, in CPF No. 3-2022-035-NOA. PHMSA issued the Notice after a control room management (CRM) records and procedure inspection conducted by the Office of Pipeline Safety (OPS) May 24 to 28, 2021 with respect to NNOGC's Running Horse Pipeline (RHP). On March 15, 2022, PHMSA approved an extension until May 27, 2022 to respond to the Notice. Therefore, this response is timely.

NNOGC is committed to public safety and operating the RHP in accordance with the PHMSA's regulations and takes PHMSA's allegations seriously. NNOGC has revised its CRM Plan and submits it as an attachment to this response.

NNOGC requests that it continue to be provided with all documents or communications from OPS pertaining to the case or the case file, which includes "all agency records pertinent to the matters of fact and law asserted,"¹ including, but not limited to inspector notes or other materials the region intends to rely on to support the Notice, and Region Director's "written evaluation of response material submitted by the respondent and recommendation for final action, if one is prepared." 49 C.F.R. § 190.209(b)(7). Please consider this a standing request.

Response of NNOGC

Item 1 - § 195.446(b)(5)

The Notice alleges that NNOGC's CRM (Version 3, April 2021) does not provide guidance for the controller or Control Room Supervisor with respect to directing or superseding the technical actions of a

¹ 49 U.S.C. § 60117(b)(1)(C).



controller. The Notice asserts that Section 500-2.2.3 of the CRM states that the “Control Room Supervisor has sole authority to direct or supersede specific technical actions of a Controller when necessary to protect people, property or environment” but does not describe the conditions under which such actions would be considered or warranted, or how such actions would be taken, communicated or documented. OPS recommends that the CRM procedure be amended to provide “more structure around the conditions, communication, and documentation for directing and superseding a controller.”²

NNOGC’s Response: NNOGC does not contest this item. The revised CRM Plan containing amended procedures is attached.

Item 2 - § 195.446(c)(2)

The Notice states that NNOGC’s CRM does not provide instructions for conducting and documenting a thorough point-to-point verification. Specifically, the Notice states that CRM Procedure 500-3.2 is high level and is supported by Procedure 507-1 (Point-to-Point Verification procedure), but that Procedure 507-1 is not referenced and that different forms were referenced to document the point-to-point verification. The Notice also states that, although Section 500-3.2 references Calibration Check Form IC-002 for an annual calibration set point and alarm descriptor verification, during the inspection, the operator presented Form 500.4 which is the form referenced in Procedure 507-1. The Notice states that Form IC-002 does not meet the requirements for verifying new or relocated field equipment. The Notice also asserts that Form RHPT-500.4 did not provide for the capture of the information required for a thorough point-to-point verification.³

PHMSA recommends that NNOGC amend the CRM procedure to refer to the correct procedures, forms and all information that is required to be documented for a successful test and compliance record. The amended procedure also needs to include the forms to match the requirements of the procedure.

NNOGC’s Response: NNOGC notes that, before the May 2021 inspection, Procedure 507-1 had been removed as redundant. NNOGC does not contest this item and has addressed the identified issues in the attached revised CRM Plan by, among other things, expanding the point-to-point verification procedure and revising Form RHPT 500.4.

Item 3 - § 195.446(d)(1)

The Notice asserts that the CRM is inadequate because it does not include “a process to track and monitor controllers’ time worked on shift and other to [sic] show that shift lengths and schedule

² Notice at 2.

³ Notice at 2.



rotations are adequate to provide controllers off-duty time sufficient to achieve 8 hours of continuous sleep.” The Notice states that payroll cards are reviewed only to evaluate and approve overtime and not to evaluate hours spent responding to alarm calls or monitoring the system after hours or on weekends.⁴ The Notice also stated that there was no process for looking forward or reviewing history to ensure regulatory compliance.

The Notice recommends that NNGOC amend its CRM to provide for the documentation and review of all hours worked, to show that shift lengths and schedule rotations are adequate to provide controllers off-duty time sufficient to achieve 8 hours of continuous sleep.

NNOGC Response: NNOGC does not contest this item and has amended its procedure to address the issues raised in the NOA, as reflected in the attached CRM Plan.

Item 4 - § 195.446(d)(4)

The Notice asserts that CRM Procedure 500-4-5.1 is inadequate to enable review of the effectiveness of the fatigue management program as required under § 195.402(c)(13) because there were no processes for collecting, analyzing, and reviewing effectiveness criteria. The Notice stated also that the referenced Form RHPT-500.2 was not designed to document the findings for determining effectiveness. The Notice stated that the procedure needs to be amended “to support the review and analysis of the established criteria to determine the effectiveness of the fatigue program. The procedure also needs to require that deficiencies identified from the review must be documented and implemented.”⁵

NNOGC Response: NNOGC does not contest this item and has amended its procedure to address the issues raised in the NOA, as reflected in the attached CRM Plan.

Item 5 - § 195.446(e)(1)

The Notice asserts that NNOGC’s Alarm Management Plan (Version 3, April 2021) (AMP) is inadequate with respect to defining safety-related points. Specifically, the Notice states that NNGOC lacks a process for rationalizing alarms to identify safety-related points and associated alarms. In addition, the Notice stated that Section 501-3.1 contains no procedure describing how all the SCADA data points are reviewed to determine if they are safety-related based on the potential consequences for inaction.

The Notice states there was no clear relationship between the points identified in the Section 501-3.1 of the AMP and Procedure 507.1 (Point-to-Point Verification). In addition the Notice states that “section 501-6.5 [*sic* - the correct reference is section 504-3.5] identified priority levels as low, medium,

⁴ Notice at 3.

⁵ Notice at 3-4.



high and urgent,” but that the UCOS SCADA database identified priority levels as 1, 2, 3. The Notice states that the procedure did not correlate these priority naming conventions, define which is more urgent, or accurately reflect the database. Finally, the Notice states that the AMP did not explain how the safety related alarms were to be distinguished from other alarms in the SCADA master database.

The Notice recommended that NNOG amend the AMP to include a process for rationalizing alarms and explaining how the points and alarms will be identified in the master SCADA database. Alarm rationalization should result in establishing criteria for determining safety-related points and their associated alarms. The Notice stated that, because the RHP is a fail-safe system, fail-safe alarms should be considered during the alarm rationalization process. The Notice also recommended that priority levels for alarm response be defined and then the SCADA database must match those defined alarm levels. Alarm levels also must include associated color and messaging. Finally, the Notice recommended that procedures set forth requirements for training controllers on handling alarms.⁶

NNOGC Response: NNOGC does not contest this item and has amended its procedure to address the issues raised in the NOA, as reflected in the attached CRM Plan.

Item 6 - § 195.446(e)(2)

The Notice alleges that NNOGC’s CRM does not identify, record, review and analyze monthly, points affecting safety that have been taken off scan, 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. The Notice also states that Section 500-2.2.1 and Section 500-2.2.1 contain no instructions on how to document false alarms, inhibited alarms or manual/forced points that have been identified for monthly review or analysis.⁷

The Notice recommends that NNOGC amend its procedure to describe how the monthly review analysis and of documentation points is completed. In addition, the Notice states that the procedures need to address how the data for review and the identification and documentation of false alarms will be collected.

NNOGC Response: NNOGC does not contest this item and has amended its procedure to address the issues raised in the NOA, as reflected in the attached CRM Plan.

Item 7 - § 195.446(e)(2)

The Notice alleges that NNOGC’s CRM does not have a method to track deficiencies identified under the review and monitoring requirements of this section. The Notice notes that NNOGC documents everything in either a logbook or email and observes that this method this makes it difficult

⁶ Notice at 4-5.

⁷ Notice at 5.



to track issues and to verify that they were resolved. The Notice recommends that NNOGC establish a method for tracking identified deficiencies, verifying their resolution and creating an audit trail for analysis and compliance.⁸

NNOGC Response: NNOGC does not contest this item and has amended its procedure to address the issues raised in the NOA, as reflected in the attached CRM Plan.

Item 8 - § 195.446(g)(6)

The Notice alleges that NNOGC's CRM does not identify how it evaluates whether actions in the control room contribute to a reportable event. The Notice states that Form RHPT-ADM-6, Accident Investigation Form, does not address controller fatigue, SCADA configurations, SCADA performance, or control room procedures. The Notice recommends that NNOGC amend its CRM to include guidelines for reviewing the required items and including them in form RHPT-ADM-6.⁹

NNOGC Response: NNOGC does not contest this item and has amended its procedure and Form RHPT-ADM-6 to address the issues raised in the NOA, as reflected in the attached CRM Plan.

Item 9 - § 195.446(h)

The Notice alleges that NNOGC's CRM does not define a process for reviewing the content of training to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. The Notice recommends that NNOGC amend its procedure to include a process for reviewing training program content once each calendar year, at intervals not exceeding 15 months.¹⁰

NNOGC Response: NNOGC does not contest this item and amended its procedure in accordance with the NOA, as reflected in the attached CRM Plan.

Item 10 - § 195.446(h)(6)

The Notice alleges that NNOGC's CRM does not address initial Team Training for new controllers and those who would be reasonably expected to operationally collaborate with controllers, and does not address the content to be covered during such team training sessions. In particular, the procedures did not contain requirements for lessons learned from internal and industry events, soft skills, abnormal operations. The Notice recommends that NNOGC amend its CRM procedure to address when initial Team Training needs to be provided and training content.¹¹

⁸ Notice at 6.

⁹ Notice at 6

¹⁰ Notice at 7.

¹¹ Notice at 7.



NNOGC Response: NNOGC does not contest this item and has amended its procedure to address the issues raised in the NOA, as reflected in the attached CRM Plan.

Thank you for your consideration of this response. If there are any questions please contact the undersigned.

Sincerely,

A handwritten signature in black ink that reads "James R. McClure".

James R. McClure
Chief Executive Officer
Navajo Nation Oil and Gas Company

Attachment

CC: Joseph Hainline, Esq., Sr. Attorney Advisor, Office of Chief Counsel, PHMSA
(Joseph.Hainline@DOT.gov)
Joseph P. Robertson, P.E., Vice-President, (JRobertson@NNOGC.com)
Susan A. Olenchuk, Attorney for NNOGC, Van Ness Feldman, LLP (sam@vnf.com)