

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: troby@bayoumidstream.com; tnellermoe@bayoumidstream.com

September 7, 2022

Travis Roby
Chief Executive Officer
Bayou Midstream / NST Express, LLC
820 Gessner RD 1450
Houston, Texas 77024

CPF 3-2022-054-NOA

Dear Mr. Roby:

From August 30, 2021 through October 22, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Northstar Express, LLC's (NST) Operations and Maintenance (O&M) manual of procedures, Operator Qualification (OQ) program, and the Integrity Management Plan (IMP) in Fairview, North Dakota and The Woodlands, Texas. On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Northstar Express, LLC's plans and/or procedures, as described below:

1. **§ 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)
 - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

NST's procedures were inadequate to ensure safety when excavating around its pipelines. NST's procedures in its O&M Section 8 – Pipeline Repairs, and Section 16 – Damage Prevention were reviewed during the inspection and found to lack a defined exclusion zone for heavy equipment excavating around an active pipeline. NST's excavation procedures must be revised to include guidelines for hand digging in the area directly over or beside the pipeline and for preventing excavation equipment from striking the pipeline.

2. **§ 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)
 - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

NSTs O&M procedures for corrosion control of breakout tanks were inadequate because they did not follow the requirements of § 195.565 to address how corrosion will be controlled on steel breakout tanks installed on concrete pads. Operators must follow Section 5.3.3.3 of ANSI/API RP 651 (2007) which states “care should be observed with tanks on concrete pads since cathodic protection most likely will not reduce any corrosion that might occur.” RP 651 does not make the installation of cathodic protection (CP) optional, rather it indicates that operators must take additional steps beyond CP.

In accordance with API RP 651, NST procedures must be revised to describe how corrosion will be controlled and monitored for tanks on concrete pads. Additionally, if CP is not installed on a tank, the procedures must prescribe how additional steps in protecting the tank from corrosion are equivalent or superior to the installation of CP.

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

NST’s procedures for monitoring cathodic protection (CP) levels on breakout tanks with a secondary containment liner are inadequate because they do not provide detail on the use of permanent reference cells. NST’s corrosion procedures must be revised to include detail in describing how to monitor CP levels by reading from the leads connected to permanent reference cells installed on tanks.

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:
 - (1)
 - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

NST's procedures for controlling atmospheric corrosion in accordance with § 195.583 were inadequate because they lacked detail in defining detrimental corrosion. Specifically, the procedures failed to differentiate between a light surface oxide and corrosion resulting in pitting or metal loss that is damaging to the pipeline. Additionally, the procedures lacked detailed guidance on how to properly repair damaged coating at the soil transition.

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 that Northstar Express, LLC, 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 Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2022-054-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,
Gregory A. Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings

cc: Travis Nellermoe, Area Operations Manager, Bayou Midstream Bakken,
tnellermoe@bayoumidstream.com