



**U.S. Department of Transportation
Pipeline and Hazardous
Materials Safety Administration**

1100 Main Street, Suite 800
Kansas City, MO 64105
(816) 329-3800

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

**VIA ELECTRONIC MAIL TO: kevin.ruffatto@enbridge.com;
jeffrey.cremin@enbridge.com; stacy.soine@enbridge.com**

May 20, 2026

Mr. Kevin Ruffatto
VP, US Operations
Express Holdings (USA), LLC
915 North Eldridge Parkway,
Suite 1100
Houston, Texas 77079

CPF 3-2026-011-NOPV

Dear Mr. Ruffatto:

On February 13, 2024, Express Holdings (USA), LLC (Express) and its contractor were replacing a 10-inch tank drain line connected to a 24-inch tank line at Tank 411 within the Casper Terminal in Casper, Wyoming. During the planned shutdown, maintenance personnel completed a cold cut of the 10-inch drain line at approximately 10:30 a.m. Mountain Standard Time (MST). To create a vapor barrier for hot work (welding), personnel installed a pneumatic isolation bag, backed by a 2-inch bentonite mud plug, at approximately 11:10 a.m. MST.

Welding began at 11:40 a.m. MST. At 1:10 p.m. MST, while the last pass of the cap weld was being completed, personnel noticed the pressure in the isolation bag drop to 18 psig, which was below the manufacturer-recommended pressure of 25 psig and the Express-established minimum safety threshold of 20 psig. Despite the pressure drop indicating a potential loss of vapor isolation, the hot work continued. Immediately after welding resumed, a flash fire lasting approximately five seconds ejected from the 10-inch pipe, ignited, and damaged the isolation bag (hereinafter "the Accident").

Enbridge performed an investigation and determined the cause of the Accident was an insufficient vapor barrier that allowed crude oil vapors to pass through the barrier and ignite.

Representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) performed an investigation of the Accident, which included interviewing Express personnel and reviewing the Enbridge investigation report. PHMSA found that multiple factors contributed to the Accident. As a result of the investigation, it is alleged that Express has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items investigated, and the probable violations are:

1. § 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.

Express failed to follow its manual of written procedures for conducting maintenance activities. Specifically, when performing repairs to its pipeline facility at the Casper Wyoming terminal on the day of the Accident, Express failed to follow Enbridge Procedure entitled *Installing Vapor Plugs* (Book 3, subject number 06-03-05, effective Oct 1, 2023). This procedure stated, under the “Requirements” section for venting vapor from a small diameter opening, that a hazard assessment must be performed. During preparation for the welding, Express failed to perform a hazard assessment, and allowed the work to commence without the assessment. In addition, Step 13 of the same procedure stated that before commencing hot work one must, “Expand, pressurize, set, or tighten vapor plug in accordance with manufacturer’s instructions.” Express failed to follow Step 13 of the procedure.

Regarding the failure to conduct a hazard assessment for venting prior to hot work, Enbridge Procedure *Installing Vapor Plugs* stated that for venting, “using a connection smaller than 2 in[ches]...requires a hazard assessment.” During its on-site investigation, PHMSA’s found that crude oil vapor had been vented through a 1-inch diameter opening, via a cam lock. Therefore, under the *Installing Vapor Plugs* procedure, a hazard assessment was required, however Express failed to perform the required hazard assessment and allowed the work to proceed without one.

Express also failed to follow Step 13 of the same procedure, because it did not adhere to the manufacturer’s instructions when installing the inflatable vapor plug. Per Step 13 of the procedure, before commencing hot work, it was required to “[e]xpand, pressurize, set, or tighten vapor plug in accordance with manufacturer’s instructions.” The manufacturer’s safety instructions for the plug explicitly required personnel to “[n]ever inflate plugs over a lateral or other openings in the pipe wall. Always insert the plug completely into the pipe plus the equivalent of one pipe diameter.” (emphasis added).

PHMSA's investigation determined that the 10-inch isolation bag used as a vapor plug was improperly installed due to the pipeline section to be welded being in a configuration that was too short, and thus incompatible with the use of the isolation bag. The configuration caused the bag, once installed, to extend beyond the opening of the 10-inch pipe at its junction with the 24-inch pipe, and into the larger 24-inch pipe, which conflicted with the manufacturer's instructions. Per Enbridge's own internal investigation, Express supervisory personnel "did not review manufacturer's instructions to ensure the proper isolation bag was utilized." The Enbridge report further concluded: "improper configuration, outside of the manufacturer guidance," caused the bag to "mushroom" into the 24-inch piping, creating forces that caused the bag to slip and break the vapor isolation seal. Additionally, Express formally identified "operator error" and "incorrect isolation tool used for application" as the cause of the accident on PHMSA Form 7000-1 (Report # 20240064-39403).

In sum, by not following its O&M procedure, *Installing Vapor Plugs*, Express failed to follow its manual of written procedures for conducting maintenance activities, in violation of § 195.402(a)

2. § 195.422 Pipeline repairs.

- (a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.**

Express failed to insure that repairs of its pipeline system were made in a safe manner so as to prevent damage to persons or property. Specifically, on February 13, 2024, while performing welding activity to repair its pipeline at the Casper Terminal in Casper, Wyoming, Express personnel failed to follow a safety control established in the job plan for conducting the hot work, which resulted in the Accident.

The repair work to the pipeline involved welding near flammable vapors and isolating those vapors by using an inflatable isolation bag as a vapor plug. Per Enbridge's internal investigation, the manufacturer of the vapor plug recommended a pressure of 25 psig and Express established a minimum pressure of 20 psig as a safety threshold for the work plan. During the welding activity, Express personnel failed to stop work when the pressure in the isolation bag was observed dropping below the 20 psig minimum requirement. Despite observing this drop, Express personnel allowed the work to continue.

Enbridge's internal accident investigation stated: "Job was reviewed with the team, and a threshold pressure was determined and the pressure on the tool was not to drop below 20 psi during work." The internal investigation also stated: "A deviation of a safety control within the plan occurred. The pressure dropped below the identified threshold which indicated a potential loss of vapor isolation."

From its investigation, PHMSA found that at 1:10 p.m. MST the inflation pressure dropped to 18 psig. Field personnel noted the drop, indicating a failing vapor barrier, yet field personnel failed to appreciate the hazard and authorized the hot work to continue rather than halt operations to

secure the vapor isolation. The flash fire occurred immediately after the decision to continue welding.

Deviation from the job plan demonstrates that Express failed to insure the repair was conducted in a safe manner so as to prevent damage to persons or property, in violation of § 195.422(a).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024 the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023 the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023 the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022 the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021 the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019, and before January 11, 2021 the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations.

We have reviewed the circumstances and supporting documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty of \$532,030 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 266,015
2	\$ 266,015

Response to this Notice

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. All material you submit in response to this enforcement action may be 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 3-2026-011-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

AJ McKean
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

cc: Jeff Cremin, Manager-Regulatory Compliance, Express, jeffrey.cremin@enbridge.com
Stacy Soine, Advisor-Regulatory Compliance, Express, stacy.soine@enbridge.com