



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

8701 S. Gessner, Suite 630
Houston TX 77074

**AMENDED NOTICE OF PROBABLE VIOLATION,
PROPOSED CIVIL PENALTY,
and
PROPOSED COMPLIANCE ORDER**

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

March 8, 2022

Scott Schingen
Senior Vice President, Operations
ONEOK NGL Pipeline, LLC
100 West Fifth Street
Tulsa, Oklahoma 74103

CPF 4-2021-048-NOPV

Dear Mr. Schingen:

From May 1, 2020 through December 2, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code (U.S.C.), investigated a reportable accident that occurred on April 28, 2020, at ONEOK NGL Pipeline, LLC's (ONEOK) Eastland II Pump Station in Eastland County, Texas. At approximately 5:00 pm Central Standard Time (CST), an incipient fire occurred while contractor personnel for ONEOK was performing and completing a tie-in weld at the Eastland II Pump Station. The fire self-extinguished with no reported injuries or hospitalizations. An estimated .10 barrels of natural gas liquid was unintentionally released. ONEOK submitted National Response Center (NRC) Report #1276472 on May 1, 2020, as the initial notification of the accident.

As a result of the investigation, it is alleged that ONEOK 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. § 195.52 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:

(1)...

(2) Resulted in either a fire or explosion not intentionally set by the operator;...

(b) Information required. Each notice required by paragraph (a) of this section must be made to the National Response Center either by telephone to 800-424-8802 (in Washington, DC, 202-267-2675) or electronically at <http://www.nrc.uscg.mil> and must include the following information: ...

ONEOK failed to notify the NRC at the earliest practicable moment following discovery of a release of hazardous liquid resulting a fire or explosion not intentionally set by the operator, but no later than one hour of a reportable accident as defined in § 195.50. On April 28, 2020, at approximately 5:00 pm CST, ONEOK experienced an unintentional release of hazardous liquid which resulted in a flash fire at its Eastland II Pump Station in Eastland County, Texas. However, ONEOK did not report the accident to the NRC (#1276472) until May 1, 2020, at 11:22 pm CST, over 67 hours after the accident occurred.

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.

(b) ...

(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)...

(11) Minimizing the likelihood of accidental ignition of vapors in areas near facilities identified under paragraph (c)(4) of this section where the potential exists for the presence of flammable liquids or gases.

ONEOK failed to develop and follow written procedures for tie-in work on its pipeline facilities to include the use of mud plugs and monitoring for the lower explosive limit (LEL), which are both necessary to maintain safety during normal operation and maintenance activities. Specifically, ONEOK failed to have procedures for utilizing and installing mud plugs as vapor barriers to minimize the likelihood of accidental ignition of vapors as required by § 195.402(c)(11). On April 28, 2020, ONEOK's contractor personnel performed tie-in work utilizing a mud plug as a vapor barrier; however, there were no written procedures in ONEOK's operations and maintenance manual reflecting the use of mud plugs as a vapor barrier during tie-in work.

Additionally, ONEOK failed to prepare and follow written procedures for monitoring LEL of flammable vapors to minimize the likelihood of accidental ignition in areas near facilities identified under paragraph § 195.402(c)(11). ONEOK did not establish monitoring procedures of the LEL as a necessary action to minimize the likelihood of accidental ignition of vapors.

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.

(b)...

(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.

ONEOK failed to periodically review the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance, and to take appropriate corrective actions for found deficiencies. Specifically, ONEOK failed to periodically review the work done by its personnel to determine the effectiveness of its procedures for minimizing the potential for hazards where the potential exists for the presence of flammable liquids or gases.

ONEOK's *Natural Gas Liquids Operations and Maintenance Manual, PRC1400.000, Section 3, REV 17, Accidental Ignition, 195.402(c)(11)* page 35 states, "In areas near pipeline facilities where the potential exists for the presence of flammable liquids or gases, ONEOK will take steps to minimize the likelihood of accidental ignition of vapors." Although ONEOK stated during the investigation that it had performed the periodic review of its procedure to determine its effectiveness and did not identify any deficiencies, PHMSA identified a history of reportable accidents prior to the April 28, 2020 accident that involved accidental ignition of vapors prior, which indicated that the procedure was deficient. A review of ONEOK's previously submitted Form PHMSA F7000.1 Accident Reports identified four previous accidents that involved an accidental ignition of vapors. These include No. 20150445 at Mt. Belvieu, Texas on November 5, 2015; No. 20170376 at Chapman Trap Station, Kansas on October 20, 2017; No. 20180207 at ONEOK Groveton Pump Station, Texas on June 22, 2018; and No. 20180256 at ONEOK Fairfield Pump Station (Site 541), Texas on June 25, 2018. Following PHMSA's investigation, ONEOK made revisions to this procedure to address deficiencies.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to 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. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty \$131,800 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 36,200
2	\$ 49,000
3	\$ 46,600

Proposed Compliance Order

With respect to Items 2 and 3, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to ONEOK NGL Pipeline, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 submitted 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 the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 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 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. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 4-2021-048-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

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

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to ONEOK NGL Pipeline, LLC (ONEOK) a Compliance Order incorporating the following remedial requirements to ensure compliance with the pipeline safety regulations:

- A. In regards to Item 2 of the Notice pertaining to ONEOK's failure to develop procedures for (1) the use of mud plugs as an approved company method for the prevention and mitigation of vapors igniting while performing hot work/tie-ins on its pipeline facilities and (2) LEL monitoring while performing normal operation and maintenance for the prevention of accidental vapor ignition, ONEOK must develop detailed procedures for these two areas and submit to the Director, Southwest Region, PHMSA for review within 30 days of receipt of the Final Order.

It is requested (not mandated) that ONEOK maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary L. McDaniel P.E., Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.