

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

VIA ELECTRONIC MAIL

December 14, 2022

Michael LeBlanc
Senior Vice President, Operations
Enlink Processing Services, LLC
1722 Routh Street, Suite 1300
Dallas, Texas 75201

CPF 4-2022-036-NOPV

Dear Mr. LeBlanc:

From August 9, 2021 through January 17, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Enlink Processing Services, LLC's (Enlink) Sabine natural gas pipeline system in Louisiana and Texas.

As a result of the inspection, it is alleged that Enlink has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (C.F.R.). The item inspected and the probable violation is:

1. **§ 192.467 External corrosion control: Electrical isolation.**
 - (a) ...
 - (c) **Except for unprotected copper inserted in a ferrous pipe, each pipeline must be electrically isolated from metallic casings that are a part of the underground system. However, if isolation is not achieved because it is impractical, other measures must be taken to minimize corrosion of the pipeline inside the casing.**

Enlink failed to ensure its Sabine pipeline system was electrically isolated from metallic casings at 17 locations. Enlink provided a cathodic protection *Survey Report* for calendar years 2016 through 2020. The report identified 44 unique cased crossings with a metallic short. At the time

of the inspection, Enlink had not initiated action on 17 of the 44 locations to clear the shorted casings or to minimize corrosion on the carrier pipeline inside the casing in accordance with § 192.467. Enlink determined that the remaining 27 locations were cleared.

PHMSA reviewed Enlink's *Corrosion Control Manual, CORR-003: Testing for Shorted Casings and Valve Boxes* (Version 1.0, Current Review: 2/26/2019) which state:

Documentation

A copy of the test data on the appropriate Company form should be filed in the PCS file.

- If the casing is shown as newly shorted by the Panhandle Eastern test, and an attempt to clear the short has not been made, the casing should be reported as a deficiency and entered into the appropriate work management system within two weeks of discovery. The attempt, if practical, must be made within 6 months, or a deferral letter should be written.

For the 17 shorted locations Enlink failed to provide records that these deficiencies were entered into the appropriate work management system within two weeks of discovery, that an attempt was made to correct the deficiencies, or that a deferral letter was drafted for any of the shorted casings. For the 27 cleared casings, Enlink failed to identify whether the short was metallic or dielectric.

On January 13, 2022, Enlink updated its manual, *Corrosion Control Manual, CORR-003: Testing for Shorted Casings and Valve Boxes* (Version 2.0, Current Review: 1/13/2022). This updated procedure eliminated the requirement to report deficiencies within two weeks and to make attempts to correct deficiencies within six months. This procedure fails to specify how and at what intervals Enlink will monitor shorted casings, what corrective actions are in place to correct the deficiencies to ensure the pipeline is protected to minimize corrosion. Enlink must revise its procedures to include a process to monitor shorted casings to ensure the shorted casings are not a threat to the public safety.

Therefore, Enlink failed to ensure its Sabine pipeline system was electrically isolated from metallic casings at 17 locations in accordance with § 192.467(c).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 C.F.R. § 190.223, you are subject to a civil penalty not to 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 violations 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 violations 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 violations 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 violations 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 of **\$71,500** as follows:

<u>Item Number</u>	<u>Penalty</u>
1	\$71,500

Proposed Compliance Order

With respect to Item 1 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Enlink Processing Services, 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 Compliance 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 the receipt of this Notice, you have 30 days to submit written comments or request a hearing under 49 C.F.R. § 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 4-2022-036-NOPV**, and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Bryan Lethcoe
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

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

cc: Cordell Theriot, Senior DOT Specialist, Enlink Processing Services, LLC,
cordell.theriot@enlink.com

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue Enlink Processing Services, LLC (Enlink) a Compliance Order incorporating the following remedial requirements to ensure compliance with the Pipeline Safety Regulations:

1. In regard to Item 1 of the Notice pertaining to Enlink's failure to ensure electrical isolation of its carrier pipe and casings, Enlink must develop and implement procedures for performing inspections and tests, implementing remedial measures, and documenting the findings in accordance with § 192.467(c) and (d) to determine the adequacy of electrical isolation and take action to address the remaining shorted casings within 60 days of the Final Order;
2. Provide the Director, Southwest Region with a record of Enlink's remediation activities for all shorted casing locations on the Sabine pipeline within 120 days of the Final Order;
3. Train employees responsible for completing tasks on Enlink's updated procedures; and
4. Retrain employees responsible for completing cathodic protection survey tasks on how to identify, document, and report concerns with shorted casings.

It is requested (not mandated) that Denbury's maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Bryan Lethcoe, 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 the preparation/revision of plans, procedures, studies, and analyses, and 2) the total cost associated with replacements, additions, and other changes to pipeline infrastructure.