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

8701 S. Gessner, Suite 630
Houston TX 77074

NOTICE OF PROBABLE VIOLATION and PROPOSED COMPLIANCE ORDER

VIA ELECTRONIC MAIL

December 14, 2022

Graham Bacon
Executive Vice President and Chief Operating Officer
Enterprise Products Operating, LLC
1100 Louisiana Street
Houston Texas 77002

CPF 4-2022-062-NOPV

Dear Mr. Bacon:

From February 7 through May 13, 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 Enterprise Products Operating, LLC's (Enterprise) MAPCO SW Pipeline System in New Mexico, Texas, Oklahoma, and Kansas.

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

1. § 195.202 Compliance with specifications or standards.
Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

Enterprise failed to construct each pipeline system in accordance with comprehensive written specifications or standards that are consistent with the requirements of Part 195 in accordance with § 195.202. Specifically, Enterprise failed to follow its written procedure, *Engineering Standard*

8501 (STD.8501), Bolt Torquing and Flange Assembly (May 2021), Section 7.0 Material, which states that "the minimum acceptable length of bolt shall be full nut engagement after initial tightening."

Bolts on flanges at the following eight locations were observed to be either flush or recessed: Ponderosa Junction, MP 8 Valve Site, Hobbs Pump Station, Conway Pump Station, Willowbrook Pump Station, Langdon Pump Station, Hutchinson Pump Station, and Coffeyville Pump Station. At these locations, PHMSA observed bolts that failed to have the minimum acceptable length such that full nut engagement was not achieved in the nut on both ends, contrary to Enterprise's procedures.

After the conclusion of PHMSA's inspection, Enterprise provided bolt-flange assembly records to indicate it fixed the improperly installed bolts at four of the eight locations: Ponderosa Junction (5/11/2022), Conway Pump Station (6/15/2022), Langdon Pump Station (8/1/2022), and the Hutchinson Pump Station (5/18/2022). Enterprise did not provide any records for the MP 8 Valve Site, Hobbs Pump Station, Willowbrook Pump Station, and the Coffeyville Pump Station.

Therefore, Enterprise failed to construct each pipeline system in accordance with comprehensive written specifications or standards that are consistent with the requirements of Part 195 in accordance with § 195.202.

2. § 195.262 Pumping Equipment.

(a) . . . .

(d) Except for offshore pipelines, pumping equipment must be installed on property that is under the control of the operator and at least 15.2 m (50 ft) from the boundary of the pump station.

Enterprise failed to install pumping equipment at least 15.2 m (50 ft) from the boundary of the pump station in accordance with § 195.262(d). Specifically, Enterprise failed to install pumping equipment at least 50 feet from the boundary of the pump station at the Coffeyville pump station (37' from the boundary on N side; 48' from the boundary on the S side), Bushton pump station (17'2" from the boundary on the S side; 34' from the boundary on the E side), and Newton pump station (23' from the boundary on the E side).[1]

Therefore, Enterprise failed to install pumping equipment at least 15.2 m (50 ft) from the boundary of the pump station in accordance with § 195.262(d).

[1] Enterprise's procedures define the boundary as the area inside the fence. *See* Pipeline Safety Violation Report (Violation Report), (December 14, 2022) (on file with PHMSA), at Exh. 2-1.

3. § 195.412 Inspection of rights-of-way and crossings under navigable waters.

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

Enterprise failed to inspect the surface conditions on or adjacent to each pipeline right-of-way using an appropriate method of inspection in accordance with § 195.412(a). Specifically, PHMSA discovered that Enterprise's aerial patrols failed to detect overgrown vegetation and overhead growth of trees at four right-of-way (ROW) locations: Eunice Valve Site (87828), east and west of Highway 214 at milepost 16 (2414), and milepost 62.5 (2414). Highway 214 is in a high consequence area near Denver City, Texas.

Enterprise provided pictures showing that it cleared the overgrown vegetation for milepost 62.5, east of Highway 214, and the Eunice Valve Site. Enterprise is currently working with the landowner to remediate the overhead growth of trees over the ROW west of Highway 214.

Therefore, Enterprise failed to inspect the surface conditions on or adjacent to each pipeline right-of-way using an appropriate method of inspection in accordance with § 195.412(a).

4. § 195.420 Valve maintenance.

(a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.

Enterprise failed to maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times in accordance with § 195.420(a) and its procedures.[2]

During the field inspection, PHMSA observed leaking valve plugs and valve stems at the following locations: Mocane Station on the 6" SN 106717-4 and 10" SN BM200041 pipelines, Milepost 5 on the 10" pipeline, Skellytown Station on the 8" pipeline, at MP 196 on the 10" pipeline, Valve SN 5797 at Tulia Station, at MP 134 on the 10" pipeline, and at MP 43 on the 10" pipeline.

Therefore, Enterprise failed to maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times in accordance with § 195.420(a) and its procedures.

[2] Enterprise's procedures state that "when operating the valve, look for signs of leakage, stability, and valve support, tightness of bolts or connections, and return any valve to its proper position for normal operation." Pipeline Safety Violation Report (Violation Report), (December 14, 2022) (on file with PHMSA), at Exh. 4-10, at Section 5.6.3.2.

5. § 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 ensure 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.

Enterprise failed to follow its manual of written procedures for conducting for conducting valve inspections and maintenance in accordance with § 195.402(a). Specifically, Enterprise failed to note on its inspection documents if each valve was remotely or manually operated.

Enterprise's procedures, *Operations and Maintenance Procedures, L1303 Valve Inspection and Maintenance (03/09/2020), Section 5 Valve Inspection, Section 5.6.2.*, state that valve inspection documentation must note "whether the valve is remotely or manually operated."[3] The inspection documentation for the following locations failed to include this required information: Conway, Hobbs Area East, Skellytown, and South Leg.

Therefore, Enterprise failed to follow its manual of written procedures for conducting for conducting valve inspections and maintenance in accordance with § 195.402(a).

6. § 195.452 Pipeline integrity management in high consequence areas.

(a) . . . .

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(1) . . . .

(3) An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure;

[3] *See* Pipeline Safety Violation Report (Violation Report), (December 14, 2022) (on file with PHMSA), at Exh. 5-1, at Section 5.6.2.

Enterprise failed to integrate all available information about the integrity of the entire pipeline in accordance with § 195.452(f)(3) and its integrity management program.[4] Specifically, Enterprise's risk report contained inaccurate information about the Coffeyville facility.

PHMSA reviewed the Facility Integrity Management Program Current Risk Report for the Coffeyville Facility and found numerous instances of the report containing inaccurate information, such as equipment quantity, atmospheric coating conditions, security, staffing, and complexity factor. Each of these are data integration factors used in the determination of the facility risk score. The data from the risk report did not match the data from the Facility Evaluation Questionnaires provided by Enterprise's Corrosion Prevention, Operations, and Pipeline Control office. PHMSA reviewed the Facility Risk Analysis Procedure and also found that the determination of the complexity factor for the Coffeyville and El Dorado facilities did not match the table in the 2014 procedure. Specifically, both facilities had a complexity factor below 2.0 but the 2014 procedure requires a complexity factor of 2.0 or greater if the facility has a pump or launcher. Coffeyville and El Dorado both have at least one launcher.

Therefore, Enterprise failed to integrate all available information about the integrity of the entire pipeline in accordance with § 195.452(f)(3) and its integrity management program.

7. § 195.452 Pipeline integrity management in high consequence areas.

(a) . . . .

(i) What preventive and mitigative measures must an operator take to protect the high consequence area?

(1) . . . .

(4) Emergency Flow Restricting Devices (EFRD). If an operator determines that an EFRD is needed on a pipeline segment to protect a high consequence area in the event of a hazardous liquid pipeline release, an operator must install the EFRD. In making this determination, an operator must, at least, consider the following factors - the swiftness of leak detection and pipeline shutdown capabilities, the type of commodity carried, the rate of potential leakage, the volume that can be released, topography or pipeline profile, the potential for ignition, proximity to power sources, location of nearest response personnel, specific terrain between the pipeline segment and the high consequence area, and benefits expected by reducing the spill size.

Enterprise failed to conduct an emergency flow restricting device (EFRD) analysis on segments of the MAPCO SW Pipeline System that transport non-highly volatile liquid products that pool when released in accordance with § 195.452(i)(4) and its *Integrity Management Program IM Procedure 1-02 Emergency Flow Restriction Devices Study (7/1/2020)*. Specifically, Enterprise failed to conduct an EFRD analysis on its Getty - El Dorado Metering to Kaneb pipeline segment,

[4] *See* Pipeline Safety Violation Report (Violation Report), (December 14, 2022) (on file with PHMSA), at Exh. 6-3, at Section 2-01.2.1

which transports pooling products. Section 2.2 of the integrity management program states that "[a] pipeline segment that transports pooling products will be considered for an EFRD analysis."

With respect to non-pooling products, PHMSA reviewed the *Baker Engineering Gas Dispersion Analysis dated December 15, 2005. Section 1, Introduction* states that the report summarizes the study methodology and gas dispersion results for highly volatile liquid pipelines (HVLs) and that natural gasoline releases are excluded since this material tends to pool. PHMSA notes that this analysis may have used outdated inputs in its analysis since it was published in 2005. An updated gas dispersion analysis that used current data could enable Enterprise to utilize its emergency response resources in the most efficient manner.

Therefore, Enterprise failed to conduct an EFRD analysis on segments of the MAPCO SW Pipeline System that transport non-highly volatile liquid products that pool when released in accordance with § 195.452(i)(4) and its integrity management program.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 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 $2,391,142 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. 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 documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

With respect to Items 1, 2, 4, 6, and 7 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Enterprise Products Operating, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to Items 3 and 5 we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these items. Failure to do so may result in additional enforcement action.

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. 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, 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 4-2022-062-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

BRYAN JEFFERY LETHCOE

Digitally signed by BRYAN JEFFERY LETHCOE
Date: 2022.12.14 15:53:32 -06'00'

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

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

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Enterprise Products Operating, LLC, (Enterprise) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Enterprise with the pipeline safety regulations:

A. With regard to Item 1 of the Notice pertaining to unacceptable bolt torquing and flange assembly, Enterprise must ensure bolts on flanges at all locations on the MAPCO SW Pipeline System are installed according to its procedure, *Engineering Standard 8501 (STD.8501), Bolt Torquing and Flange*, and provide inspection and repair documentation to the Director, Southwest Region, PHMSA within **60** days of issuance of the Final Order.

B. With regard to Item 2 of the Notice pertaining to installing pumping equipment on property under its control that is at least 50 feet from the boundary of that property, Enterprise must ensure that its pumping equipment is at least 50 feet from the boundary of the property for the Coffeyville, Bushton, and Newton pump stations. Enterprise must provide updated drawings, pictures of the measurements, and any modification documentation to the Director, Southwest Region, PHMSA within **180** days of issuance of the Final Order.

C. With regard to Item 4 of the Notice pertaining to valve inspection and maintenance, Enterprise must ensure all personnel are trained to perform valve inspections and maintenance in accordance with its evaluation checklist and the operator qualification compliance requirements and provide these training records to the Director, Southwest Region, PHMSA within **120** days of issuance of the Final Order. Enterprise must also inspect all valves on the MAPCO SW System and replace any valves that are not in good working order, including valve stems and valve plugs, and provide the associated inspection records and work orders to the Director, Southwest Region, PHMSA within **120** days of issuance of the Final Order.

D. With regard to Item 6 of the Notice pertaining to facility risk analysis data integration and risk analysis, Enterprise must conduct a risk analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure for each facility located within a high consequence area using its updated facility risk analysis procedure and provide the risk analysis for each facility to the Director, Southwest Region, PHMSA within **90** days of issuance of the Final Order.

E. With regard to Item 7 of the Notice pertaining to conducting an emergency flow restricting device (EFRD) analysis for non-HVL segments, Enterprise must conduct an EFRD analysis for all segments containing liquid products that will pool upon release, and also review the 2005 Baker Engineering Gas Dispersion Analysis to determine if its results remain accurate and if conducting a new gas dispersion analysis would result in improved emergency response to an HVL release. Enterprise must provide the EFRD analysis and documentation of the review of the 2005 study and, if conducted, a new gas dispersion analysis report within **90** days of issuance of the Final Order.

F. It is requested (not mandated) that Enterprise 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 preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.