



VIA ELECTRONIC MAIL TO: Bryan Lethcoe

March 2, 2023

Mr. Bryan Lethcoe
Director, Southwest Region
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
8701 S. Gessner, Suite 630
Houston, TX 77074

**Re: Denbury Green Pipeline Texas, LLC
Notice of Probable Violation and Proposed Compliance Order
CPF 4-2023-016-NOPV**

Dear Mr. Lethcoe:

On February 1, 2023, the Pipeline and Hazardous Materials Safety Administration ("PHMSA") issued a Notice of Probable Violation ("NOPV") and Proposed Compliance Order ("PCO") dated January 31, 2023, to Denbury Green Pipeline Texas, LLC ("Denbury"), CPF 4-2023-016-NOPV. This letter constitutes Denbury's formal response to the NOPV and PCO.

With respect to Item 1 in the NOPV, Denbury does not dispute that Denbury did not complete the risk analysis in 2019 but disputes that it failed to identify additional actions to enhance public safety or environmental protection during the October 27, 2021, and November 2, 2021, risk assessments. Rather, Denbury reviewed and considered additional actions in 2021 as 49 C.F.R. 195.452(i) requires but decided that they were not needed. Denbury's risk analysis and P&MM evaluation for the Brazoria Pump Station, Beaumont Pig Launcher and Receiver Pump Station, OCI Beaumont Lateral Meter Site and the Air Products Meter Station identified "installation of remote mounted cameras" as a potential additional P&MM to address the risk of "outside force related failure." Denbury ultimately chose not to implement that additional P&MM because Denbury determined that the P&MMs already in place at the above stated facilities were sufficient based on the fact that those facilities are surveilled biweekly through visual and aerial inspections, and the control room monitors their operations through SCADA. Denbury also identified the P&MM "additional inspection (facility within 50 miles of the coastline)" as an additional action to address the risk of external "corrosion." Denbury chose not to implement that P&MM based upon no external corrosion issues identified that require additional inspections. Additionally, for the OCI Beaumont Lateral Meter Site, Denbury identified "internal coupon inspections" to address the internal "corrosion" risk and determined that adding a coupon at the facility was unnecessary based upon the results showing very minimal mil loss from the upstream and downstream coupons already in place. Denbury thus identified and considered additional P&MMs but chose not to implement them. Denbury has already provided the related documents to PHMSA but will provide them again to PHMSA as required by Paragraph A of the PCO. Pursuant to 49 C.F.R. 190.208(b)(3), Denbury objects to the violation alleged in Item 1.

With respect to Item 2, Denbury agrees to Item 2 and does not contest the alleged violation of 49 C.F.R. 195.452(k). Denbury further agrees to perform the tasks required by Paragraph B of the PCO.

Denbury shares PHMSA's desire and commitment to ensure public safety and to enhance pipeline system integrity. Thank you for your consideration. If you have any questions or require any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "David E. Sheppard". The signature is fluid and cursive, with a large initial "D" and "S".

David Sheppard
Executive Vice President & Chief Operating Officer
Denbury Inc.

cc: Mr. Randy Robichaux, Vice President-Health Safety and Environmental, randy.robichaux@denbury.com