



ENTERPRISE PRODUCTS PARTNERS L.P.
ENTERPRISE PRODUCTS HOLDINGS LLC
(General Partner)

ENTERPRISE PRODUCTS OPERATING LLC

November 13, 2023

VIA ELECTRONIC MAIL TO: bryan.lethcoe@dot.gov

Pipeline and Hazardous Materials Safety Administration
US Department of Transportation
8701 South Gessner, Suite 630
Houston, TX 77074

Attn: Mr. Bryan Lethcoe
Director, Office of Pipeline Safety – Southwest Region

Re: Warning Letter
CPF 4-2023-058WL
Enterprise Products Operating, LLC (“Enterprise”)

Dear Mr. Lethcoe,

Enterprise is in receipt of the above referenced Warning Letter on October 16, 2023. Although a response is not required, Enterprise respectfully disagrees with the warning items and, thus, requests that PHMSA withdraw the Warning Letter.

Warning Item 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 its pipeline system in accordance with comprehensive written specifications or standards that are consistent with the construction requirements of Part 195 as required by § 195.202. Specifically, Enterprise failed to perform a review of the subsurface conditions to determine the risks associated with hydrofracturing and inadvertent returns and had not determined whether the factors of safety were acceptable as required by the Enterprise Products Engineering Standard, STD.8709, Horizontal Directional Drilling, Rev. 2.1, section 4.1.(2).

During the inspection, PHMSA requested records documenting this review of the subsurface conditions and determination of the safety factor for the Horizontal Direction Drill, but Enterprise failed to provide any supporting documentation.

Enterprise Response to Warning Item 1:

Enterprise disagrees with Warning Item 1 for two reasons:

1. **Enterprise complied with its standards:** Enterprise Engineering STD.8709 – Horizontal Directional Drilling, Section 4.1(2) (as referenced in the Warning Letter) states:

- *“Contractor and Engineer of Record shall ultimately be responsible for review of the subsurface conditions to determine that factors of safety,*

calculated to minimize the risk of hydrofracture or inadvertent returns along the HDD alignment, are acceptable and correspond to the project requirements.”

As provided in the standard, the contractor performing the horizontal directional drilling (HDD) and the Engineer of Record were responsible for reviewing subsurface conditions. In this instance, the drilling contractor’s history of successful HDDs, and familiarity with subsurface conditions in the area of work supported that review. Because of this history and familiarity, neither the drilling contractor nor the Engineer of Record determined that any additional soil tests needed to be performed. This is sufficient to satisfy Enterprise’s standard. Notably, the standard does not dictate any particular recordkeeping requirement or forms for this decision, and so the absence of records cannot be alleged as a violation where no records were required.

2. **The subject matter is outside of PHMSA’s jurisdiction and regulations:** PHMSA’s Part 195, Subpart D construction regulations apply to “constructing new pipeline systems with steel pipe” (49 CFR § 195.200) and associated tasks such as transportation methods of pipe (§ 195.207), bending of pipe (§ 195.212), and welding (§§ 195.208, 195.214-234). The subject matter of this item in the Warning Letter is not within this applicability. Rather, the subject matter relates to “minimiz[ing] the risk of hydrofracture or inadvertent returns”, which is a condition in which drilling fluid is unexpectedly transferred to the surface while an underground hole is being drilled. Because the pipe is installed by pulling it backward through the pre-drilled hole, no pipe is present until after the drilling is complete. Therefore, the installation of the pipeline itself does not begin until after the drilling phase (i.e., the part of the operation that presents a risk of hydrofracture/inadvertent return) and so this aspect of reviewing HDD safety factors is not part of pipeline construction as regulated by PHMSA’s Part 195 rules. Accordingly, regardless of whether PHMSA agrees with the manner in which Enterprise has implemented this part of its HDD procedures, the matter is outside of PHMSA’s regulatory purview and is not properly the subject of a warning from PHMSA.¹

PHMSA Warning Item 2:

§ 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 its pipeline system in accordance with comprehensive written specifications or standards that are consistent with the construction requirements of Part 195 as required by § 195.202. Specifically, Enterprise failed to require its contractor to provide a written description of the equipment, methods, and procedures for completion prior to commencement of work as required by the Enterprise Products Engineering Standard, STD.8709, Horizontal Directional Drilling, Rev. 2.1, section 4.2. During the inspection, PHMSA requested records documenting the equipment, methods, and procedures for performing the work associated with the Horizontal Directional Drill, but Enterprise failed to provide any supporting documentation.

¹ Enterprise is by no means suggesting that the drilling phase of HDDs and hydrofracture/inadvertent return scenarios are exempt from governmental regulation. For example, in many cases the drilling phase and hydrofractures/inadvertent returns are subject to state law spill rules; advance planning requirements by pipeline permitting authorities; and regulation by the Army Corps of Engineers under the Rivers and Harbors Act and other statutory authorities. Unlike those examples, PHMSA has no regulatory authority over this aspect of the operation.

Enterprise Response to Warning Item 2:

Enterprise disagrees with this item in the Warning Letter as it appears that PHMSA has overlooked records that were provided. Specifically, records including a written description of the equipment, methods, and procedures for completion of the work were uploaded for PHMSA review into a shared box drive on 9/8/2023, shortly after the exit summary for the week's inspection was received on 9/5/2023. The file path is "Chaparral Connector Pipeline > Exit Summary Requested Items 9-5-2023" and is accessible to the PHMSA SW Region construction team inspectors assigned to the project.

PHMSA Warning Item 3:

§ 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 its pipeline system in accordance with comprehensive written specifications or standards that are consistent with the construction requirements of Part 195 as required by § 195.202. Specifically, Enterprise failed to ensure that the Horizontal Directional Drilling (HDD) operations were being performed by supervisors and construction personnel thoroughly experienced with HDD installations and operations as required by the Enterprise Products Engineering Standard, STD.8709, Horizontal Directional Drilling, Rev. 2.1, section 9.1. During the inspection, the PHMSA inspectors requested documentation showing the qualifications of the contractor representative in charge of the HDD or any of the contractor personnel performing the work, but Enterprise failed to provide any supporting documentation.

Enterprise Response to Warning Item 3:

Enterprise disagrees with this allegation as it appears that PHMSA has overlooked records that were provided. The drilling company foreman's resume was uploaded for PHMSA's review into a shared box drive on 9/12/2023, shortly after the exit summary for the week's inspection was received on 9/5/2023. The file path is "Chaparral Connector Pipeline > Exit Summary Requested Items 9-5-2023" and is accessible to the PHMSA SW Region construction team inspectors assigned to the project. Although PHMSA Operator Qualification is not required for new construction, the provided documents also included OQ records for this particular individual as further evidence of his qualifications.

As illustrated by those records, the foreman overseeing the HDD drill has been performing HDD drills for over 18 years and is thoroughly experienced with HDD installations and operations as required by the Enterprise Engineering STD.8709, Horizontal Directional Drilling. Therefore, Enterprise ensured that the Horizontal Directional Drilling (HDD) operation was being performed by the foreman and construction personnel thoroughly experienced with HDD installations and operations as required by Section 9.1 of STD.8709.

PHMSA Warning Item 4:

§ 195.214 Welding procedures.

(a) Welding must be performed by a qualified welder or welding operator in accordance with welding procedures qualified under section 5, section 12, Appendix A or Appendix B of API Std 1104 (incorporated by reference, see § 195.3), or Section IX of the ASME Boiler and Pressure Vessel Code (ASME BPVC) (incorporated by reference, see § 195.3). The quality of the test welds used to qualify the welding procedures must be determined by destructive testing.

(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

Enterprise failed to perform welding according to a qualified welding procedure as required by §195.214. During the PHMSA inspection, the welders did not have a copy of the qualified welding procedure and were unable to identify the qualified welding procedure being used to weld the new terminal piping located at the C-Rack at the Hobbs facility. The welders were also unable to state any of the welding parameters from the qualified welding procedure that they are required to follow when welding, such as voltage, amperage, and travel speed. Consequently, the welding could not have been performed in accordance with a qualified welding procedure.

Enterprise Response to Warning Item 4:

Enterprise disagrees with this allegation and is concerned that the Warning Letter has mischaracterized the situation. PHMSA's questions during the inspection were unrelated to the substance of the welding procedure, the manner in which that procedure was carried out, or the overall safety of the welds. It is not reasonable to suggest that the welders needed to recall the exact title of the procedure, have a copy on their person, or recall precise minimum parameters when they were clearly aware of the procedure's requirements and following them (including by welding at an appropriate voltage, amperage, and travel speed).

In contrast to PHMSA's questioning of the welders, a more appropriate focus would have been the results of site inspection parameter checks, as PHMSA also did. These were provided during the inspection, illustrated that the welding was conducted within the parameters prescribed by Enterprise's procedures, and, therefore, supported the conclusion that the welders and welding procedure were properly qualified.

Finally, Enterprise complied with section 195.214(a)-(b) by testing and qualifying all of the welders prior to being allowed to weld on the project. Welders' qualifications as well as Qualified Welding procedures have been available to view upon request and all welders and procedures meet qualification requirements. During active construction and welding, Enterprise welding and chief inspectors inspect the welders and randomly take measurements of welding parameters to ensure the welding is performed per the qualified procedures.

PHMSA Warning Item 5:

§ 195.228 Welds and welding inspection: Standards of acceptability.

(a) Each weld and welding must be inspected to [e]nsure compliance with the requirements of this subpart. Visual inspection must be supplemented by nondestructive testing.

Enterprise failed to inspect each weld and welding to [e]nsure compliance with 49 C.F.R. Part 195, Subpart D, as required by § 195.228. During the inspection, PHMSA questioned the welding inspectors and welders about visual weld inspections of the completed welds. The welders confirmed that neither the root bead nor first filler pass of the completed welds had been visually inspected by the welding inspector. When PHMSA requested documentation for inspection of the welds, the welding inspector could not provide any documentation of visual inspections and had no records for checking the welding parameters of the qualified welding procedure, such as voltage, amperage, travel speed, to ensure the welding was being performed according to the qualified welding procedure. Consequently, each weld and welding were not inspected to [e]nsure compliance with this subpart.

Enterprise Response to Warning Item 5:

Enterprise disagrees that each weld and welding were not inspected to ensure compliance with 49 CFR 195.228(a). PHMSA's contention of noncompliance rests on two distinct points, each of which is erroneous for the following reasons:

- First, PHMSA faults Enterprise on the basis that "neither the root bead nor first filler pass of the completed welds had been visually inspected." This is not a violation because neither the regulation (49 CFR 195) nor API STD. 1104 specify a requirement to visually inspect the root bead or first filler pass. Enterprise's welding standard² was developed based on the requirements of API STD. 1104 which permits visual inspection upon completion of the weld. Enterprise's Engineering STD. 8008 specifically calls for visual inspections of girth welds, sock-o-let type welds, and identification of visual weld rejections, and these visual inspections were documented in records titled "Chief Daily Progress Report" and "Welding Visual Insp. Report" which were made available for PHMSA's review in box on 08/22/2023 and can be found here: Hobbs Terminal > View Only > 08-03-2023 Exit Summary Documents. Enterprise also conducted nondestructive examinations to verify the welds, which were documented in the same records.
- Second, PHMSA faults Enterprise because the welding inspector did not have on his person copies of the inspection documentation at the moment PHMSA requested it. But as noted above, Enterprise made the relevant records available for PHMSA's review, and there is no requirement, whether in Part 195 or in Enterprise's qualified welding procedure, that welding parameters, such as voltage, amperage, or travel speed, be recorded during the welding inspection process. Additionally, during the site inspections, welding parameter checks were provided at PHMSA's request and results were within parameters which demonstrated the welding were performed in accordance with the qualified welding procedure.

In closing, Enterprise requests PHMSA withdraw the alleged violations identified in the Warning Letter on the basis that Enterprise fully complied with the Company's standards and 49 CFR 195, where applicable. Should you have any questions, require further information in connection with the above or wish to discuss this matter in greater detail, please do not hesitate to contact our office. Enterprise welcomes the opportunity to work with PHMSA regarding the safe operation of our pipelines.

Sincerely,



Graham Bacon
EVP & Chief Operating Officer

² Enterprise Standard STD.8008 Welding of Pipeline and Related Facilities, and Nondestructive Examination Requirements, Rev 4, Aug 2022 Section 9.0(4) & (5).