

WARNING LETTER

VIA ELECTRONIC MAIL TO: gbacon@eprod.com

October 12, 2023

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

CPF 4-2023-058-WL

Dear Mr. Bacon:

From August 28 through August 31, 2023, representatives 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.) inspected Enterprise Products Operating, LLC's (Enterprise) facilities being constructed or modified at Mont Belvieu, Texas, and Hobbs, New Mexico, as part of its flow reversal project.

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 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.

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.

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.

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.

5. § 195.228 Welds and welding inspection: Standards of acceptability.
(a) Each weld and welding must be inspected to insure compliance with the requirements of this subpart. Visual inspection must be supplemented by nondestructive testing.

Enterprise failed to inspect each weld and welding to insure 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 insure compliance with this subpart.

Under 49 U.S.C. § 60122 and 49 C.F.R. § 190.223, you are subject to a civil penalty not to exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022, and before January 6, 2023, the maximum penalty may not 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 conduct additional enforcement action or penalty assessment proceedings at this

time. We advise you to correct the items identified in this letter. Failure to do so will result in Enterprise Products Operating, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2023-058-WL**. 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).

Sincerely,

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

cc: Jeff Morton, Senior Director, Transportation Compliance, Enterprise Products Operating, LLC, jmorton@eprod.com
Suzie Davis, Pipeline Compliance Manager, Enterprise Products Operating, LLC, smdavis@eprod.com