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

1200 New Jersey Avenue, SE
Washington, DC 20590

August 2, 2024

VIA ELECTRONIC MAIL TO: jashcroft@crescentmid.com

Mr. Jeremiah Ashcroft III
Chief Executive Officer
Crescent Midstream, LLC
263 Trinity Lane
Gray, Louisiana 70359

CPF No. 4-2024-016-CAO

Dear Mr. Ashcroft:

Enclosed please find the Corrective Action Order (CAO or Order) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), in the above-referenced case. It requires Crescent Midstream, LLC to take certain corrective actions with respect to the July 27, 2024, release of crude oil from its pipeline facilities in Raceland, Louisiana.

Service of the CAO by electronic transmission is deemed complete upon transmission and acknowledgment of receipt, or as otherwise provided under 49 C.F.R. § 190.5. The terms and conditions of this Order are effective upon completion of service.

Sincerely,

LINDA GAIL DAUGHERTY
for Alan Mayberry
Associate Administrator
for Pipeline Safety

Digitally signed by LINDA GAIL DAUGHERTY
Date: 2024.08.02 17:00:32 -04'00'

Enclosure: CAO

cc: Mr. Bryan Lethcoe, Director, Southwest Region, OPS
Mr. Eric Lyons, Vice President of Engineering and Operations, Crescent Midstream, LLC, elyons@crescentmid.com
Mr. Daniel Pelas, Safety and Compliance Supervisor, Crescent Midstream, LLC dpelas@crescentmid.com

CONFIRMATION OF RECEIPT REQUESTED

U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590

In the Matter of	)	
Crescent Midstream, LLC,	)	**CPF No. 4-2024-016-CAO**
Respondent.	)	

CORRECTIVE ACTION ORDER

Purpose and Background

This Corrective Action Order (CAO or Order) is being issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), under the authority of 49 U.S.C. § 60112 and 49 C.F.R. § 190.233, to require Crescent Midstream, LLC (Crescent Midstream or Respondent) to take necessary corrective actions to protect the public, property, and the environment from potential hazards associated with a July 27, 2024, accident resulting in the release of crude oil from Crescent Midstream's hazardous liquid pipeline facilities located in Raceland, Louisiana (Accident).

Crescent Midstream operates an interstate hazardous liquid pipeline system in Louisiana and the Gulf of Mexico. Respondent operates over 900 miles of hazardous liquid pipelines, and its system includes crude oil breakout tanks subject to the requirements of 49 C.F.R. Part 195 (Part 195).

At 10:49 a.m. Eastern Daylight Time (EDT)[1] on Saturday, July 27, 2024, the National Response Center (NRC) was notified[1] that an unknown amount of crude oil was released at approximately 8:00 a.m. in Lafourche Parish, Louisiana. Two additional NRC notifications[2] were made by Crescent Midstream on Monday, July 29, 2024, indicating that an estimated 175 barrels (bbl.), and subsequently 852 total bbl., of crude oil had been released from Crescent Midstream's pipeline facilities in Raceland (the Accident). No fires, injuries, fatalities, or evacuations occurred as a result of the crude oil release. However, it appears water sources, wildlife, and vegetation have been affected.

Pursuant to 49 U.S.C. § 60117, PHMSA's OPS initiated an investigation of the Accident. The preliminary findings of OPS' ongoing investigation are as follows:

[1] NRC Report No. 1406083.

[2] NRC Report No.'s 1406243 and 1406258, respectively.

Preliminary Findings

- Crescent Midstream's hazardous liquid pipeline facilities in the Raceland area are part of its "Bonefish" system which is composed of 12-, 16-, and 20-inch hazardous liquid pipelines (constructed in the 1950s and 1960s), as well as an aboveground crude oil breakout tank (Tank No. 2051). Respondent's pipeline facilities near Raceland are located within a high consequence area (HCA)[3] as defined by Part 195.

- Tank No. 2051 was obtained by Crescent Midstream in 2016, and was removed from service beginning on approximately June 6, 2024, for an inspection. It is unclear to PHMSA if Respondent has construction and inspection history records for Tank No. 2051 as required under Part 195 and American Petroleum Institute (API) standards 650 and 653, to establish the out of service inspection interval.

- After removing Tank No. 2051 from service for inspection, Crescent Midstream has been utilizing two temporary frac tanks[4] (250 bbl. and 500 bbl. capacities, respectively) and a temporary pump unit. The frac tanks were apparently being used for surge relief purposes, in part, do not meet applicable requirements of Part 195, and were not equipped with any liquid level monitoring devices.

- As part of Crescent Midstream's frac tank setup at Raceland Station, a 16-inch PHMSA regulated pipeline was temporarily connected to the two frac tanks through a Flex-Flo valve set at 160 pounds per square inch gauge (psig). The temporary pump was used to re-inject crude oil into the 16-inch pipeline. Respondent also reportedly performed a tightline operation on one of its 16-inch pipelines (Raceland Station to St. James) without any surge relief at Raceland Station. Another separate operation was performed using the lower pressure measurement piping at the Raceland Station to deliver crude oil to Port Allen via the Sentinel Pipeline and using the temporary frac tanks to provide surge relief.

- The temporary pump required manual operation and needed to be in operation to pump crude oil from the frac tanks back into the 16-inch pipeline to reduce the liquid level in the frac tanks. According to Crescent Midstream personnel, the pump was disconnected prior to the Accident.

- Respondent indicates it was manually checking the crude oil levels on the frac tanks since their recent installation. However, PHMSA is not aware of the existence of any written procedures addressing this monitoring operation at Raceland Station, nor has Respondent presented records to confirm such monitoring was occurring. Additionally, Crescent Midstream has been unable to provide any specifications related to the pressure rating of the hoses connecting the frac tanks, pipeline, and the temporary pump.

- According to an EverLine[5] control center log entry for June 25, 2024, the Respondent's

[3] *See* 49 C.F.R. § 195.450.

[4] Frac tank are generally large, moveable, metal storage containers used for temporary storage of liquids or other bulk materials.

[5] Respondent utilizes EverLine, a third-party control center operator based out of Houston, Texas, as its control room

third-party control room was verbally informed that the operating pressure on Respondent's 16-inch pipeline at Raceland Station should not exceed 120 psig. However, beginning on July 26, 2024, at about 5:20 p.m. Central Daylight Time (CDT), there were multiple occasions where logs indicate the pressure on that pipeline exceeded 120 psig. PHMSA is unaware of any documentation, procedures, or specifications addressing the appropriate pressures relative to the temporary arrangement involving the frac tanks and pump. Respondent was unable to provide any written operating procedures or management of change procedures for communications with their third-party control center (EverLine).

- On July 27, 2024 (the date of the Accident) Tank No. 2051 was still out of service and the temporary frac tanks were being used as surge relief without liquid level monitoring. The pressure excursions resulted in crude oil from the pipeline flowing into the frac tanks which overflowed with crude oil.
- The discharge valve in the impoundment area in which the frac tanks were located was open, and crude oil overflowing the frac tanks left the impoundment area and flowed into an adjacent ditch and eventually into nearby Bayou Lafourche.[6] Bayou Lafourche is a water supply for three Louisiana parishes and a city.[7]
- According to Respondent, at approximately 9:00 a.m. CDT on July 27, 2024, the discharge valve in the impoundment area was closed upon discovery of the crude oil release. The control room was also instructed to shut down the Raceland Station and the pipelines entering and leaving the facility. Respondent has not provided information indicating what steps the control room took to shut down the pipeline.
- As a result of the crude oil release, Bayou Lafourche, nearby residents, wildlife, and vegetation have been affected.
- Respondent's pipeline facilities at Raceland Station remain shut down. PHMSA's investigation is ongoing and the circumstances leading to the release of crude oil has not yet been determined.

Determination of Necessity for Corrective Action Order and Right to Hearing

Section 60112 authorizes PHMSA to determine that a pipeline facility is or would be hazardous to life, property, or the environment and if there is a likelihood of serious harm, to expeditiously order to the operator of the facility to take necessary corrective action, including suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other appropriate action. An order issued expeditiously must provide an opportunity for a hearing as soon as practicable after the order is issued.

In deciding whether to issue an order, PHMSA must consider the following, if relevant: (1) the characteristics of the pipe and other equipment used in the pipeline facility, including the age, manufacture, physical properties, and method of manufacturing, constructing, or assembling the equipment; (2) the nature of the material the pipeline facility transports, the corrosive and

contractor.

[6] Bayou Lafourche is an over 100-mile waterway that flows into the Gulf of Mexico.

[7] Assumption Parish, Terrebonne Parish, Lafourche Parish, and Thibodeaux (a city located in Lafourche Parish).

deteriorative qualities of the material, the sequence in which the material are transported, and the pressure required for transporting the material; (3) the aspects of the area in which the pipeline facility is located, including climatic and geologic conditions and soil characteristics; (4) the proximity of the area in which the pipeline facility is located to environmentally sensitive areas; (5) the population density and population and growth patterns of the area in which the pipeline facility is located; (6) any recommendation of the National Transportation Safety Board made under another law; and (7) other factors PHMSA may consider as appropriate.

After evaluating the foregoing preliminary findings of fact and having considered the lack of procedures governing the Respondent's current operations with respect to the temporary frac tanks and related equipment at the Raceland facility; Crescent Midstream's current pipeline facility and tank arrangement at Raceland Station that appears to be outside of that allowed under relevant PHMSA hazardous liquid pipeline facility regulations; the unknown status of the required records applicable to Tank No. 2051 illustrating its safety; the hazardous nature of the product transported; the proximity of the pipeline facilities to HCAs, drinking water sources, and human populations; the uncertainty as to the cause of the crude oil release; the uncertainty of potential impacts of the Accident to other of Respondent's pipelines and facilities as presently arranged at Raceland Station; and because the same condition(s),tank, and pipeline facility equipment arrangement that may have caused the crude oil release remain present at Respondent's Raceland facilities, I find that continued operation of the pipeline without corrective measures is or would be hazardous to life, property, or the environment, and that failure to issue this Order without notice would result in the likelihood of serious harm.

Accordingly, under 49 C.F.R. § 190.233(b), this Order mandating immediate corrective action is issued expeditiously without prior notice and opportunity for a hearing. The terms and conditions of this Order are effective upon receipt.

Within 10 days of receipt of this Order, Respondent may request a hearing, to be held as soon as practicable, by notifying the Associate Administrator for Pipeline Safety in writing, with a copy to the Director, OPS Southwest Region, PHMSA (Director). If a hearing is requested, it will be held in accordance with 49 C.F.R. § 190.211.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken. Respondent will be notified of any additional measures required and, if appropriate, PHMSA will consider amending this Order. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Required Corrective Actions

Definitions:

Affected Segment – The *"Affected Segment"* means the 12-, 16-, and 20-inch pipelines from Manila Junction to the Crescent Midstream Raceland Station; all piping, pump units, measurement facilities, tanks, and appurtenant facilities at Raceland Station; the Crescent Midstream-operated facilities used to deliver commodity to the Sentinel Pipeline; and the Crescent Midstream-operated pipeline between Raceland Station and the St. James Terminal.

Isolated Facility – The *"Isolated Facility"* means all piping, pump units, measurement facilities, tanks, valves, actuators, control devices, pressure relief devices, SCADA equipment, sensors, fabricated assemblies, and appurtenant facilities at the Crescent Midstream Raceland Station.

Director – The *"Director"* means the Director, Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), Southwest Region. The Director's address is 8701 S. Gessner, Suite 630, Houston, Texas 77074.

Pursuant to 49 U.S.C. § 60112, I hereby order Crescent Midstream to immediately take the following corrective actions:

1. ***Operating and Pressure Restrictions.***

   a. All pipelines within the Crescent Midstream Raceland Station (*Isolated Facility)* will remain shut-in and out of operation until approval to restart is given by the Director pursuant to Corrective Action Item 3.

   b. Upon approval to restart partial operations, such operations will be restricted to those specifically illustrated in the attached diagram, titled "Raceland Station Valve Chart" (attached as Appendix A), with the proposed flow path specified as the Empire to St. James "tight line" operation and highlighted on the diagram. Only the identified piping and pump units reflected on the diagram at the *Isolated Facility* will be operated. No low-pressure measurement piping is included in the operation. The initial approval will limit the discharge pressure at the *Isolated Facility* to 350 psig. This permitted operation is only to deliver crude oil from Manila Junction to the breakout tanks located at the Crescent Midstream St. James terminal. Any changes to this operation must be approved in writing by the Director before they occur during the effective period of this Order.

   c. Prior to requesting approval to restart operations of the *Isolated Facility*, Respondent must contract with a properly qualified independent third-party vendor to identify the cause and circumstances that resulted in the Accident and communicate the cause and circumstances in writing to the Director. Prior to initiating the investigation, the Respondent must submit the proposed third-party vendor and its qualifications to the Director in writing for approval. Respondent must also review its reporting and emergency response procedures, and accurately determine and report the release volume that occurred during the Accident as required by 49 C.F.R. § 195.52. Respondent must also identify any issues or actions with regard to the operation of the *Isolated Facility* that were taking place at the time of the Accident that prevented the immediate identification of the crude oil release and the timely required reporting of such release by Crescent Midstream operations personnel. This information must be submitted in writing to the Director prior to the initial request to restart operations, or in any event no later than 60 days from issuance of this Order.

2. Actions Prior to Restart

Prior to submitting the Restart Plan under Corrective Action Item 3 below, Respondent must:

a. Perform a thorough review of its operations for the entire *Affected Segment* to ensure compliance with applicable Part 195 requirements, and provide the Director with a signed affidavit from the Chief Executive Officer of Crescent Midstream attesting to Respondent's compliance with applicable PHMSA regulations;

b. Conduct a review of the *Affected Segment* to identify any abnormal operating conditions, deficient operating practices, or lessons learned requiring corrections, and address any such conditions that require remedial action implementation prior to submitting the Restart Plan. Respondent must identify in writing to the Director all operations reviewed in the *Affected Segment* and any corrective actions/changes made, or that Respondent plans to make, to such operations, and receive approval for such changes in writing from the Director;

c. Review its emergency response procedures and oil spill response plan (49 C.F.R. Part 194) with all personnel involved in operating the *Affected Segment*, identify any deficiencies with the procedures or following the procedures, and ensure all operating personnel are prepared to respond appropriately as required by their emergency response procedures and Part 194;

d. Submit its complete Management of Change and Lockout/Tagout procedures to the Director for review and approval;

e. Provide its written procedures for determining a leak or release has occurred on the *Affected Segment* to the Director for review and approval.

3. ***Restart Plan***.

a. Respondent must submit a detailed written Restart Plan to the Director and receive approval from the Director prior to operating any pipeline facilities in the *Isolated Facilit*y.

b. All pressure relief and overpressure protection devices within the *Isolated Facilit*y must be set no higher than maximum operating pressure identified by Crescent Midstream's Restart Plan. All relief and overpressure protection devices must be reset to the pressure restrictions in the Crescent Midstream Restart Plan and confirmed by written documentation according to Respondent's written procedures. A copy of the documentation must be submitted to, and approved by, the Director in writing prior to the restart.

c. The Restart Plan must specify how the *Isolated Facility* will be protected from surge events as required by §195.406(b). All alarm setpoints must be adjusted and confirmed using Respondent's written Management of Change procedures, submitted to the EverLine control center, and confirmed by written documentation. The EverLine controllers and Respondent's operations personnel must also be trained on any revisions prior to the restart. Confirmation of the training and the additional documentation described above in this Corrective Action Item 3.c. must be submitted in writing, and approved by, the Director prior to the restart.

d. Any *Isolated Facility* piping not included in Respondent's proposed restart plan must remain isolated by written Lock Out/Tag Out procedures. These Lock Out/Tag Out procedures must be submitted to the Director and approved in writing prior to restart. Pressure relief and overpressure protection may not be accomplished via use of administrative controls only.

e. The Restart Plan must provide for continuous in-person monitoring of the *Isolated Facility* by Respondent's personnel during the restart process, and continuing for a minimum of 24 hours thereafter. If any abnormal operating conditions or other safety concerns occur during the restart, operations must immediately be shut down and the cause of any abnormal operating conditions or safety issues determined and reported to the Director in writing, along with any proposed corrective actions identified. Respondent must not restart operations again until receiving written approval to do so from the Director.

f. The Restart Plan must be initiated only during daylight hours and must describe its plan to ensure sufficient in-person monitoring to ensure no abnormal operating conditions occur.

g. The Restart Plan must include provisions for communications with local emergency response officials prior to restart of the *Isolated Facility*, and such communications must be made by Respondent prior to restart.

h. The Restart Plan must include procedures requiring more frequent (at a minimum, at least once every seven (7) days during the effective period of this Order) leak detection patrolling than normally required by Part 195 regulations for the *Affected Segment* during the effective period of this Order, and must identify the methods and frequencies of such patrolling.

i. The Restart Plan must specify reduced leak detection thresholds for the *Affected Segment* during the effective period of this Order. The Restart Plan must specify how Respondent will perform leak detection activities to account for such reduced thresholds and address the adjusted leak detection alarming to the new limits. Respondent's amended procedures governing leak detection at reduced thresholds must be submitted to the Director and approved in writing prior to restart.

j. The Restart Plan must identify the EverLine control center points of contact and must also be included in the EverLine control room shift change information. A copy of the shift change information must be provided daily for the first 72 hours, and then weekly thereafter, to the Director in writing during the effective period of this Order.

k. The Restart Plan must identify and specify the position of each valve in the *Isolated Facility*, and those positions must be confirmed with the EverLine control center. The valve positions and evidence of the control center confirmation of such information must be provided to the Director in writing prior to restart.

l. The Restart Plan must include a description of the communications process with the EverLine control center. The Restart Plan must also include applicable Management of Change procedures (including documentation) that will be used for any changes made to the portions of the Crescent Midstream system affected by this Order, including all specified operational and pressure restrictions. The communications plan must also identify how any operation issues will be communicated between the EverLine control center and Crescent Midstream, including identification of specific personnel making such notifications.

m. The Director may approve the Restart Plan incrementally without approving the entire plan, but the *Isolated Facility* cannot resume any operations until the Restart Plan is approved in its entirety.

n. Once approved by the Director in its entirety, the Restart Plan will be incorporated by reference into this Order.

o. After any portion of the *Isolated Facility* identified in the approved Restart Plan has operated without any abnormal conditions for a minimum of 72 hours, Respondent may request from the Director approval for a full return to service (without the 350 psig pressure restriction specified in Corrective Action Item 1.b. above) of such portion of the *Isolated Facility.*

Other Requirements

4. ***Approvals.*** With respect to each submission that under this Order requires the approval of the Director, the Director may: (a) approve, in whole or part, the submission; (b) approve the submission on specified conditions; (c) modify the submission to cure any deficiencies; (d) disapprove in whole or in part, the submission, directing that Respondent modify the submission, or (e) any combination of the above. In the event of approval, approval upon conditions, or modification by the Director, Respondent shall proceed to take all action required by the submission as approved or modified by the Director. If the Director disapproves all or any portion of the submission, Respondent must correct all deficiencies within the time specified by the Director and resubmit it for approval.

5. ***Reporting.*** Respondent must submit quarterly reports to the Director that: (1) include all available data and the results of any testing and evaluations, and of any other reviews (to include of Respondent's procedures and regulatory compliance evaluations) required by this Order; (2) include and describe the progress of the repairs or any other remedial actions being undertaken by Respondent on the *Affected Segment* and *Isolated Facility* and at the Raceland Station under this Order. The first quarterly report is due on September 30, 2024. The Director may amend the interval for the submission of these reports.

6. ***Extensions of Time.*** The Director may grant an extension of time for compliance with any of the terms of this Order upon a written request timely submitted demonstrating good cause for an extension.

7. ***Documentation of the Costs.*** It is requested that Respondent maintain documentation of the costs associated with implementation of this Corrective Action Order. Include in each quarterly report submitted, the to-date total costs associated with: (1) preparation and revision of procedures, studies, and analyses; (2) physical changes to pipeline infrastructure, including repairs, replacements and other modifications; and (3) environmental remediation, if applicable.

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).

In your correspondence on this matter, please refer to "CPF No. 4-2024-016-CAO" and for each document you submit, please provide a copy in electronic format whenever possible. The actions required by this Order are in addition to and do not waive any requirements that apply to Respondent's pipeline system under 49 C.F.R. Parts 190 through 199, under any other order issued to Respondent under authority of 49 U.S.C. Chapter 601, or under any other provision of federal or state law.

Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

Failure to comply with this Order may result in the assessment of civil penalties and in referral to the Attorney General for appropriate relief in United States District Court pursuant to 49 U.S.C. § 60120.

The terms and conditions of this Order are effective upon service in accordance with 49 C.F.R. § 190.5.

LINDA GAIL DAUGHERTY Digitally signed by LINDA GAIL DAUGHERTY
Date: 2024.08.02 16:59:00 -04'00'

for Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued