

VIA ELECTRONIC MAIL TO: hpefanis@paalp.com

May 17, 2024

Harry Pefanis
President
Plains All American Pipeline, LP
333 Clay Street, Suite 1900
Houston, Texas 77002

CPF 4-2024-029-NOPSO

Dear Mr. Pefanis:

Enclosed is a Notice of Proposed Safety Order (Notice) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), in the above-referenced case. The Notice proposes that Plains Pipeline, LP¹ (Plains), take certain measures to ensure facility safety with respect to the Plains Basin System Cotton Draw Pipeline that includes over 800 miles of crude oil pipeline originating in Jal, New Mexico, and terminating in Cushing, Oklahoma. Your options for responding are set forth in the Notice. Service of this Notice by electronic mail is deemed effective upon the date of transmission, or as otherwise provided under 49 C.F.R. § 190.5.

We look forward to a successful resolution to ensure the safety and integrity of the Cotton Draw Pipeline system. Please direct any questions on this matter to me at (713) 773-7215.

Sincerely,

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

Enclosure: *Notice of Proposed Safety Order*

cc: Alan K. Mayberry, Associate Administrator for Pipeline Safety, OPS, PHMSA
Linda Daugherty, Deputy Associate Administrator for Field Operations, OPS, PHMSA

¹ Plains Pipeline, LP, is a subsidiary of Plains All American Pipeline, LP.

Dustin Hubbard, Director, Western Region, OPS, PHMSA

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**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
SOUTHWEST REGION
HOUSTON, TX 77074**

In the Matter of

**Plains Pipeline, LP
a subsidiary of Plains All American
Pipeline, LP,**

Respondent.

CPF No. 4-2024-029-NOPSO

NOTICE OF PROPOSED SAFETY ORDER

Background and Purpose

This Notice of Proposed Safety Order (NOPSO or Notice) 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. § 60117. Pursuant to § 60117, PHMSA performed inspections of the work required by the Compliance Order in CPF No. 4-2019-5004 on the Cotton Draw Pipeline, operated by Plains Pipeline, LP (Plains). The Final Order in CPF No. 4-2019-5004 determined that Plains had failed to properly qualify the welding procedure used to construct the pipeline. The Final Order included a Compliance Order that required, among other actions, ten girth welds be cut out and destructively tested to determine whether they possessed the required strength and mechanical properties consistent with the design of the pipeline. The Compliance Order also required the pipeline be properly repaired according to the requirements of 49 C.F.R. Part 195 and Plains' operating and maintenance procedures. Below is a timeline of relevant events:

- On June 7, 2016, Plains began operating the Cotton Draw Pipeline.
- From August 7 through 11, 2017, representatives of PHMSA conducted an on-site pipeline safety inspection of the facilities and records of Plains in Midland, Texas.
- On January 31, 2019, PHMSA issued a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (NOPV), associated with the 2017 PHMSA inspection (CPF No. 4-2019-5004). Item 1 of the NOPV alleged that Plains violated 49 C.F.R. § 195.214(a) by failing to perform welding in accordance with welding procedures qualified under section 5, section 12, or Appendix A or B of API Std 1104. Item 2 of the NOPV alleged that Plains violated 49 C.F.R. § 195.222(a) by failing to use qualified

welders during welding activities. The NOPV included a Proposed Compliance Order for Item 1 and a Proposed Civil Penalty of \$75,600 for Item 2.²

- On October 6, 2020, the Associate Administrator for Pipeline Safety issued the Final Order, which found that Plains failed to construct the Cotton Draw Pipeline in accordance with 49 C.F.R. § 195.214(a) by using an unqualified welding procedure (Item 1). The Final Order also found that Plains failed to ensure that production welds made on the Cotton Draw Pipeline were made by welders who were not properly qualified in accordance with 49 C.F.R. § 195.222(a) (Item 2). The Final Order included the Compliance Order and assessed a \$75,600 civil penalty.
- The Final Order included a Compliance Order that required Plains to replicate the welding used to construct the Cotton Draw Pipeline in the laboratory and destructively test the welds according to API Std 1104 requirements to determine if the welds had the required strength and mechanical properties for the application. The Final Order provided Plains the opportunity to demonstrate that the welds have the required strength and mechanical properties for the application without having to perform cutouts of production welds. The Compliance Order stated that if any of the welding procedure tests could not be destructively qualified in a laboratory setting per API Std 1104 Plains must then perform destructive testing on 10 girth welds on the Cotton Draw Pipeline at locations where external forces may occur (e.g. slopes, road crossings) to show that the welds have the required strength and mechanical properties for the application.
- On November 17, 2020, Plains submitted the proposed weld procedure qualification plan and paid the civil penalty of \$75,600.
- On February 19, 2021, PHMSA sent a letter to Plains that identified additional requirements, clarifications, and information needed for the weld procedure qualification plan.
- On April 15, 2021, Plains submitted a revised weld procedure qualification plan.
- From July 12 through 23, 2021, Plains prepared weld procedure qualification test sample rings that were the same standard and had the same characteristics as the pipe used to construct the Cotton Draw Pipeline. Plains stated that it completed qualification of three welders designated to weld the test samples, then completed welding the three test samples, and transferred the three test samples to the laboratory for weld procedure qualification.
- From August 2 through 4, 2021, the three test samples were tested in a laboratory at Team Industrial Services, Inc. in Pasadena, Texas. One PHMSA inspector witnessed the testing.
- On August 11, 2021, Plains provided the API 1104 Weld Procedure Qualification Test Report, in addition to other information requested by PHMSA while observing the testing.

² The NOPV included four total items, but Items 3 and 4 are unrelated to the integrity risks identified in this NOPSO.

- On October 6, 2021, in summarizing the above events (July through August 2021), Plains requested closure of the Compliance Order.
- On March 24, 2022, PHMSA issued a letter to Plains stating that the Compliance Order was not completed because Plains was unable to complete welds in the laboratory using the same written procedure in use at the time of construction, leaving the adequacy of the actual construction welds uncertain. PHMSA noted that during the July 2021 welding qualification, welders were unable complete the weld using the travel speed specified in the procedure used to construct the pipeline (*CS-G4265M211*). PHMSA clarified that the Compliance Order required destructive testing on 10 girth welds on the Cotton Draw Pipeline at locations where external forces may occur (e.g., slopes, road crossings) to show that the welds have the required strength and mechanical properties for the application if any of the welding procedure tests cannot be destructively qualified in a laboratory setting per API Std 1104.
- On May 18, 2022, Plains submitted its girth weld cutout and test plan.
- On August 2, 2022, PHMSA requested additional requirements and clarifications to the proposed girth weld cutout and test plan.
- On August 15, 2022, Plains submitted a revised girth weld cutout and test plan. On the same day, PHMSA indicated it was satisfied with the revised plan.
- On February 2, 2023, Plains submitted its dig plan.
- From March 13, 2023, through April 21, 2023, Plains performed cutouts and repairs of the Cotton Draw Pipeline. During this time, PHMSA was unable to conclude that the requirements of the Compliance Order had been met and identified significant safety concerns regarding Plains' welding practices and procedures.
- On April 7, 2023, PHMSA issued a letter to Plains clarifying the remaining requirements in the Compliance Order after PHMSA inspectors observed activities the week of March 13.
- On May 22, 2023, Plains requested that CPF 4-2019-5004 be closed. For the reasons described below, the case remains open.

In March and April of 2023, PHMSA conducted multiple inspections of Plains' corrective actions taken pursuant to the Compliance Order issued in CPF No. 4-2019-5004, including the cutout of test welds, pipe repairs, and reviewing welding procedures and welder qualifications. As a result of numerous safety concerns identified during those inspections, existing integrity concerns related to the issues identified in CPF No. 4-2019-5004, and PHMSA's preliminary investigation, it appears that conditions exist on the Cotton Draw Pipeline that pose a pipeline integrity risk to public safety, property, or the environment. Pursuant to 49 U.S.C. § 60117(m), PHMSA issues this Notice of Proposed Safety Order, notifying you of the preliminary findings of the

investigation, and proposing that you take measures to ensure that the public, property, and the environment are protected from the potential risks.

Preliminary Findings

The preliminary findings of PHMSA's ongoing investigation are as follows:

- Cotton Draw Pipeline is a segment of the Plains Basin System. The Cotton Draw segment includes twelve (12) miles of 12-inch API SL X-52 Grade pipe originating at an existing field gathering lease in Eddy County, New Mexico, traversing through Lea County, New Mexico, and terminating at Plains, Cotton Draw Injection Station in Loving County, Texas. The Cotton Draw Pipeline expansion was constructed in 2016 and includes a 40,000-barrel breakout tank located at Cotton Draw Station near El Mar, Texas.
- From March 13, 2023, through April 21, 2023, Plains employed a contractor, Dean Services, to perform cutouts and repairs of the Cotton Draw Pipeline. Inspections of this work identified additional issues including: (1) failure to follow the qualified welding procedures according to the requirements of 49 C.F.R. § 195.214; (2) failure to follow operating and maintenance repair procedures required by 49 C.F.R. §195.402; (3) failure to properly identify covered tasks and perform the work using personnel qualified under 49 C.F.R. Part 195, Subpart G; (4) failure to inspect the internal surface of the pipeline for corrosion as required by 49 C.F.R. § 195.579(c); and (5) failure to properly complete destructive testing of the welds as required by the Compliance Order and 49 C.F.R. § 195.214.
- (1) - The Compliance Order in CPF No. 4-2019-5004 required Plains to cut out and destructively test production welds on the Cotton Draw Pipeline. It also required that repairs to the pipeline resulting from the cutouts be completed according to Part 195 and Plains' operating and maintenance procedures. During PHMSA's inspection on March 13, 2023, a review of the welding inspectors daily log discovered that welders making repairs to the Cotton Draw Pipeline welded outside of the parameters specified on the welding procedure (*CS-G60M224 - Rev. 6*) after cutting out the pipe spools containing the girth welds to be tested. The welders were outside the specified range for amperage and voltage for all passes on the tie-in segment at dig site #4. Additionally, the welding inspector failed to document the travel speed to confirm that the welders were following the welding procedure as required by 49 C.F.R. § 195.214. Therefore, it could not be determined if Plains followed the welding procedure (*CS-G60M224 - Rev. 6*) used to weld the replacement pipe segments for repair of the Cotton Draw Pipeline. After PHMSA identified this issue to Plains, the welds were cut out and re-welded. Given that this welding was being performed pursuant to corrective actions related to a prior welding violation, Plains' failure to follow the qualified welding procedure indicates the continued presence of significant issues with the welding performed by Plains.
- (2) - On April 11, 2023, at dig site #5, a PHMSA inspector observed that Plains welded an assembly of fittings onto a pre-tested segment of pipeline that was used to repair the Cotton Draw Pipeline after a girth weld cutout. The assembly consisted of a thread-o-let, a pipe

nipple, and threaded cap. While the segment of replacement pipe was pre-tested, 49 C.F.R. § 195.305(a) requires all pipe and attached fittings, including components, to be pressure tested. The pipe and attached fittings were not tested as required by 49 C.F.R. § 195.305(a). Plains welded the pipe and attached fittings on to the Cotton Draw Pipeline and proceeded to return the pipeline to operation without pressure testing the assembly of fittings. Furthermore, Plains' procedure, *DOC. PAALP-ENG-SPC-FAC-004*, requires a weld vent to be welded onto the pipeline only upon removal of a pipe segment. Installation of this weld vent runs contrary to the procedure and as a result may have introduced additional integrity threats to its pipeline system. Plains welded this assembly of fittings without incorporating it in its tie-in plan and without receiving prior approval and signature from appropriate personnel as required by its written procedures. Furthermore, Plains Provided all forms submitted to the PAALP MOC Coordinator with the as-built drawings as required in section 6.1.3 of Plains Doc. PAALP-ENG-SPC-FAC-004, Rev No 9 , Dated 04/29/2021, after the work had been completed at girth weld cut-out locations. This procedure requires that the locations of all welding vents be clearly marked and identified in the as-built drawings for record-keeping purposes. Unfortunately, Plains failed to mark the location of this added vent. This could introduce an integrity threat to any future excavations, as unmarked vents may not be accounted for during digging, leading to accidental strikes that could compromise the integrity of the pipeline. Additionally, Plains also failed to incorporate the requirement to include a vent on a replacement segment of pipe for a tie-in at dig site #5 in its "Proposed Girth Weld Cutout and Destructive Testing Plan for Cotton Draw Pipeline (dated: May 7, 2022)."

- (2) - On April 11, 2023, Plains was experiencing significant difficulty welding the repair pipe into the gap created when the girth weld was cut out. The attempts to weld the pipe failed twice due to burn through. The welding issue resulted from residual magnetism on the pipe that resulted in arc deflection. Plains' contractor failed to degauss the pipe to overcome the arc deflection, which resulted in burn through from what appeared to be excess heat input while welding. Plains failed to follow its procedure that requires a determination of whether the pipe to be welded has any residual magnetism by taking measurements with a gauss meter and if found, properly degaussing (demagnetizing) the pipe before attempting to weld. The numerous welding issues noted by PHMSA included failing to follow procedures for determining residual magnetism and degauss the pipeline before attempting to weld, welding outside of the qualified welding procedure in the attempt to overcome the issues caused by the residual magnetism, and resulting burn through indicate significant issues with Plains' welding and repair practices.
- (2) & (3) - On April 11, 2023, PHMSA conducted an onsite inspection of the girth weld cutouts at dig site #1. While the pipe was being cut, commodity was observed flowing from the pipeline, indicating that the pipeline still had an unknown quantity of crude oil in the pipeline and had not been properly purged before commencing girth weld cut-outs. While crude oil was still draining out of the pipe, Plains' contractor, Dean Services, proceeded to drill a one-inch hole in the top of the pipe for the apparent purpose of determining how much crude oil remained in the pipe. The operator had no operations and maintenance procedures that would include drilling a hole in the pipe to determine if there is commodity in the pipe, no covered task, and took no precautions related to the potentially

explosive atmosphere resulting from crude oil flowing out of the pipeline from the cutout and drill hole sites.

- (3) - On April 11, 2023, PHMSA requested that Plains provide the Operator Qualification (OQ) records for the personnel performing the pipeline girth weld cutout and pipeline repair work. This work was being performed on a pipeline facility as a requirement of Part 195, affected the operation and integrity of the pipeline, and was an operations or maintenance task. Therefore, the activities performed met the four-part test for covered tasks and individuals performing the work were required to comply with the requirements of 49 C.F.R. Part 195, Subpart G – Qualification of Pipeline Personnel. 49 CFR Part 195, Subpart G, requires operators to identify covered tasks and ensure that individuals performing these tasks are qualified or otherwise directed and observed by an individual that is qualified. A review of the Plains OQ program found that Plains failed to define a covered task involving the cutout and replacement of a segment of pipe.
- (4) - On April 18, 2023, Plains performed the cutout of the girth weld and repair of the pipe at dig site #4. The PHMSA inspector observed that Plains personnel failed to perform an inspection of the internal surface of the removed section of pipe as required by 49 C.F.R. § 195.579(c) and were proceeding to replace the removed segment. The PHMSA inspector inspected the surface of the pipe, found evidence of internal corrosion, and notified Plains personnel of the finding. This prompted Plains personnel to inspect the internal surface of the pipe and confirm the presence of internal corrosion located at approximately the 6 o'clock position. Before taking any measurements of the corrosion pits, Plains personnel concluded based on visual inspection that the depth of the pitting did not require any further action. The PHMSA inspector suggested that Plains measure the depth of the corrosion pits before proceeding to install the replacement pipe. The deepest pit was determined to be approximately 0.12 inches. Given the nominal pipe wall thickness was 0.375 inches, this constituted a 32 percent wall loss. Plains then removed 6 inches from the segment of pipe affected by internal corrosion. After removing the affected section of the pipe, additional internal corrosion was discovered on the adjacent segment resulting in the removal of an additional 6 inches from the joint of pipe. Attach written findings and photos to Pipeline Inspection and Repair Report – Form 501 as required by their O&M procedures for *Visual Inspection of Internal Surface*. Plains' operating and maintenance procedure, *Visual Inspection of Internal Surface P-195.579(c)*, also requires that pipe with internal corrosion be removed, preserved, and sent to a laboratory for metallurgical evaluation. Specifically, section 1 of this procedure states, "[t]his procedure should be used anytime the pipeline is cut and a portion removed to determine the amount of internal corrosion per .F.R. § 195.579(c)." The discovery of internal corrosion on the pipeline required Plains to perform further investigation of this pipeline and implement appropriate measures to detect and mitigate internal corrosion on the Cotton Draw Pipeline. Additionally, Plains in its Proposed Girth Weld Cut Out Plan stated, "Selection of the 10 weld cutout locations required by the Final Order shall be coordinated with the IMP anomaly repair selection process" and "Selection requirements and that coincide with ILI anomaly repair digs that might result from the ILI". Plains committed to using their IMP anomaly repair selection process and identified anomalies that required excavation and repair.

- (5) - The Final Order in CPF No. 4-2019-5004 found that Plains had failed to properly qualify the welding procedure used to construct the Cotton Draw Pipeline in accordance with 49 C.F.R. § 195.214(a). Plains was required by the Compliance Order to perform destructive testing of the girth welds that had been cut out from the Cotton Draw Pipeline to determine if the strength and mechanical properties were consistent with the pipeline design and operational requirements and the requirements of API Std 1104 (incorporated by reference in 49 C.F.R. § 195.3). Plains contracted Bryan Laboratory, Inc. (Bryan Laboratory) in Houston, Texas, to perform the weld testing. On April 20, 2023, PHMSA was present at Bryan Laboratory to observe the testing. Three root bend tests failed due to cracks exceeding the acceptance criteria in section 5.6.4.3 of API Std 1104. Plains claimed that an incorrect bending jig had been used on the failed tests, and then proceeded to cut and test additional coupons with a new bending jig, and then determined that the tests passed. In performing the retests, Plains used the same jig on the other coupons that had passed the original test and chose to accept the tests that passed the original test and reject and retest only the tests that had previously failed. There are no provisions for root bend retesting in the API Std 1104 and no provisions for selectively retesting only failed tests. Therefore, the tests performed at Bryan Laboratory should have failed, requiring additional girth weld cutouts and destructive tests from the Cotton Draw Pipeline.
- (5) - During PHMSA's inspection of Plains' destructive testing of its welding procedure (*CS-G4265M211*) at Bryan Laboratory on April 20, 2023, PHMSA observed and photographed the testing documentation that showed the failed tests. However, the final testing report submitted to PHMSA by Plains showed that all the tests passed with no mention of the failed tests, issues with the jig size, or retests.

Proposed Issuance of Safety Order

Section 60117(m) of Title 49, United States Code, provides for the issuance of a safety order, after reasonable notice and the opportunity for a hearing, requiring corrective measures, which may include physical inspection, testing, repair, or other action, as appropriate. The basis for making the determination that a pipeline facility has a condition or conditions that pose a pipeline integrity risk to public safety, property, or the environment is set forth both in the above-referenced statute and 49 C.F.R. § 190.239, a copy of which is enclosed.

After evaluating the foregoing preliminary findings of fact and considering the age of the pipe involved, the manufacturer, the hazardous nature of the product transported and the pressure required for transporting such product, the characteristics of the geographical areas where the pipeline facility is located, the numerous ongoing issues identified with Plains' welding operations and repairs that evidence significant integrity concerns, such as a lack of the requisite mechanical properties to withstand normal operation, for existing welds on the Cotton Draw Pipeline including the failure to follow a qualified welding procedure while conducting pipeline repairs, the improperly installed assembly and weld vent, the failure to weld inside the parameters, the failure to identify operator qualification covered tasks and ensure that only qualified personnel performed repairs, the failed destructive testing to qualify the welding procedure and existing welds, the failure to identify and remediate internal corrosion, the absence of preventative and mitigative measures or corrective actions taken to mitigate underlying issues such as internal corrosion, the

unsafe practice of drilling a one-inch hole into a pipeline leaking crude oil without safety precautions or a procedure, the lack of adequate welding practices and inability to safely complete the corrective actions required by the prior enforcement action, and the likelihood that the conditions could worsen or develop on other areas of the pipeline and potentially impact its serviceability, the continued operation of the Cotton Draw Pipeline without corrective measures poses a pipeline integrity risk to public safety, property, or the environment.

Accordingly, PHMSA issues this Notice of Proposed Safety Order to notify Plains Pipeline, LP, of the proposed issuance of a safety order and to propose that Plains take measures specified herein to address the potential risk identified in the Preliminary Findings and other risks that may be determined as a result of the proposed corrective measures.

Proposed Corrective Measures

Pursuant to 49 U.S.C. § 60117(m) and 49 C.F.R. § 190.239, PHMSA proposes to issue to Plains Pipeline, LP, a safety order (Order) incorporating the following remedial requirements with respect to the Cotton Draw Pipeline:

1. Plains must perform a review of its Operator Qualification (OQ) program required by 49 C.F.R. Part 195, Subpart G, and identify any missing covered tasks, including but not limited to: tasks associated with locating underground pipelines; damage prevention during excavation; ensuring adequate pipeline support during excavation; welding and welding inspection on an existing in-service pipeline; visual inspection of pipe and components prior to installation; visual inspection of buried pipe and components when exposed; measuring external corrosion; visual inspection for internal corrosion; measuring internal corrosion; installation of steel pipe in a ditch; coating application and repair; and backfilling. A report detailing the evaluation and missing tasks must be submitted to the Director, Southwest Region, PHMSA (Director) along with the revised OQ Plan and Covered Task List within 60 days of issuance of the Order.
2. Plains must identify all personnel involved in each of the dig sites where cutouts were performed, identify the tasks performed, and provide this information and the Operator Qualification records for all identified personnel to the Director within 30 days of issuance of the Order.
3. Plains must evaluate the work performed associated with each of the cutouts and repair work including the issues identified to Plains by the PHMSA inspectors, identify deficiencies or revisions needed in operating and maintenance procedures, and submit a report to the Director within 60 days of issuance of the Order, detailing the findings and proposed revisions to the procedures and training needed to remedy the deficiencies.
 - a. The evaluation and report submitted to the Director must consider Plains' failure to: properly purge and isolate the pipeline; ensure pipeline repairs were made in a safe manner; ensure welding was done according to the requirements of the qualified welding procedure and Plains' operating and maintenance procedures; measure residual magnetism and take the appropriate measures to degauss the

pipeline prior to welding; receive written approval or generate design drawings prior to installing an assembly on the pipeline; pressure test the assembly; inspect the inside surface of the pipeline for internal corrosion; measure and document the internal corrosion as required by Plains' procedures; document the work as required by Plains' procedures; and properly document the destructive testing results and accurately report the results.

4. Plains must develop procedures and implement an internal weld inspection program for the Cotton Draw Pipeline to inspect the integrity of the girth welds and identify action thresholds requiring mitigative measures. The program must include instrumentation capable of detecting and sizing cracks and crack growth; identify and size any other integrity-threatening defects in the girth welds; identify increases in strain that may threaten the integrity of the girth welds; and detect and size internal corrosion. The inspections must initially be performed at a frequency no less than every three (3) calendar years but may be modified for good cause with the approval of the Director. Plains must submit the written program and procedures to the Director for approval within 60 days of issuance of the Order.
5. Plains must perform an effectiveness review of its internal corrosion control program for the Cotton Draw Pipeline, determine the severity and extent of the existing internal corrosion, perform testing to determine the specific cause of the internal corrosion, and implement the appropriate monitoring, testing, and mitigative measures to ensure the integrity of the pipeline. Plains must submit a report to the Director within 60 days of issuance of the Order, providing details of the internal corrosion control program effectiveness review, the specific cause(s) of the internal corrosion, the procedures that Plains will implement to test and monitor the effectiveness of the internal corrosion control program, and the preventative and mitigative measures that will be implemented.
6. The corrective measures may be amended by the Director to ensure public safety as required from the responses provided and results produced by Plains.
7. The Director may grant an extension of time for compliance with any of the terms of the Safety Order upon a written request timely submitted demonstrating good cause for an extension.
8. It is requested (not mandated) that Plains maintain documentation of the safety improvement costs associated with fulfilling this Safety Order and submit the total to Mr. 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.

The actions proposed by this Notice of Proposed Safety 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. § 60101 et seq., or under any other provision of Federal or state law.

After receiving and analyzing additional data in the course of this proceeding and implementation of the work plan, PHMSA may identify other safety measures that need to be taken. In that event, Respondent will be notified of any proposed additional measures and, if necessary, amendments to the work plan or safety order.

Response to this Notice

In accordance with § 190.239, you have 30 days following receipt of this Notice to submit a written response to the Director. If you do not respond within 30 days, this constitutes a waiver of your right to contest 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 Safety Order. In your response, you may notify the Director that you intend to comply with the terms of the Notice as proposed, or you may request that an informal consultation be scheduled (you will also have the opportunity to request an administrative hearing before a safety order is issued). Informal consultation provides you with the opportunity to explain the circumstances associated with the risk conditions alleged in this Notice and, as appropriate, to present a proposal for a work plan or other remedial measures, without prejudice to your position in any subsequent hearing.

If you and PHMSA agree within 30 days of informal consultation on a plan and schedule for you to address each identified risk condition, we may enter into a written consent agreement, in which case PHMSA would then issue an administrative consent order incorporating the terms of the agreement. If a consent agreement is not reached, or if you have elected not to request informal consultation, you may request an administrative hearing in writing within 30 days following receipt of the Notice or within 10 days following the conclusion of an informal consultation that did not result in a consent agreement, as applicable. Following a hearing, if the Associate Administrator finds the Cotton Draw Pipeline facility to have a condition that poses a pipeline integrity risk to the public, property, or the environment in accordance with § 190.239, the Associate Administrator may issue a final safety order

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 4-2024-029-NOPSO** and for each document you submit, please provide a copy in electronic format whenever possible.

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

Date