

April 9, 2025

VIA ELECTRONIC MAIL TO: msmith@freeportlng.com

Michael Smith
Chairman and Chief Executive Officer
Freeport LNG Development, LP
333 Clay Street, Suite 5050
Houston, Texas 77002

Re: CPF No. 4-2024-033-NOPV

Dear Mr. Smith:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that the civil penalty amount of \$1,540,800 has been paid in full. This case is now closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosures (Final Order and NOPV)

cc: Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety
Shaw C. Ottis, Senior Vice President, General Counsel & Secretary, Freeport LNG
Development, LP, sottis@freeportlng.com
Michael Stephenson, Regulatory Compliance Manager, Freeport LNG Development, LP,
mstephenson@freeportlng.com

Andrew Kohout, P.E., Director, Division of LNG Facility Reviews and Inspections, Office of
Energy Projects, Federal Energy Regulatory Commission, andrew.kohout@ferc.gov
Captain Keith M. Donohue, Commanding Officer, U.S. Coast Guard Sector Houston-
Galveston, keith.m.donohue@uscg.mil

CONFIRMATION OF RECEIPT REQUESTED

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| In the Matter of |) | |
| |) | |
| Freeport LNG Development, LP, |) | CPF No. 4-2024-033-NOPV |
| |) | |
| |) | |
| Respondent. |) | |
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On November 26, 2024, pursuant to 49 C.F.R. § 190.207, the Director, Southwest Region, Office of Pipeline Safety (OPS), issued a Notice of Probable Violation (Notice) to Freeport LNG Development, LP (Respondent). The Notice proposed finding that Respondent had violated the pipeline safety regulations in 49 C.F.R. Part 193 and proposed a civil penalty of \$1,540,800. An amended Notice was issued on December 20, 2024, removing potentially sensitive information but not otherwise substantively changing any of the facts or allegations. Respondent did not contest the allegations of violation and paid the proposed civil penalty on January 21, 2025. In accordance with § 190.208(a)(1), such payment authorizes the entry of this final order.

49 C.F.R. § 193.2513(a) (**Item 1**) — Respondent failed to have written procedures to provide for safe transfers of LNG. Specifically, Respondent’s LNG loading operating procedures, *LNG Storage Tank Operating* (Rev. 1, Jan. 26, 2021), failed to include provisions to prevent the unintentional isolation of a pipe segment filled with LNG.

49 C.F.R. § 193.2619(e) (**Item 3**) — Respondent failed to properly inspect and test relief valves for verification of the valve seat lifting pressure and reseating. Specifically, after a pressure safety valve (PSV) inspection on April 26, 2022, Respondent failed to verify that its PSV was returned to service after testing (i.e., the

inlet isolation valve for the PSV was not re-opened and the appropriate car-seal was not applied).

49 C.F.R. § 193.2713(a)(1)(iii) **(Item 4)** — Respondent failed to provide and implement a written plan of initial training to instruct all permanent maintenance, operating, and supervisory personnel to carry out aspects of the operating and maintenance procedures under §§ 193.2503 and 193.2605. Specifically, Respondent failed to train personnel on recognizing and responding to abnormal operating conditions.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent. In accordance with 49 C.F.R. § 190.223, Respondent is assessed the proposed civil penalty amount of \$1,540,800, which Respondent has already paid in full.

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

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued