



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

1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

May 22, 2026

VIA ELECTRONIC MAIL TO: saul.flota@exxonmobil.com

Saul Flota
Vice President & North America Operations Manager
ExxonMobil Pipeline Company LLC
22777 Springwoods Village Parkway
Spring, Texas, 77389

CPF No. 4-2025-024-NOPV-1

Dear Mr. Flota:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Denbury Gulf Coast Pipelines LLC which was executed on May 8, 2026. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission and acknowledgement of receipt, or as otherwise provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

**LINDA GAIL
DAUGHERTY**
Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Digitally signed by
LINDA GAIL DAUGHERTY
Date: 2026.05.21
15:10:07 -04'00'

Enclosure: Consent Order and Consent Agreement

cc: Rod Seeley, Acting Deputy Associate Administrator, Office of Pipeline Safety, PHMSA
Rodney Barnwell, ExxonMobil, rodney.b.barnwell@exxonmobil.com
Angela Offerman, ExxonMobil, angela.offerman@exxonmobil.com
Rebekah Bennett, ExxonMobil, rebekah.r.beneett@exxonmobil.com
Haley O'Neill, counsel for Denbury Gulf Coast Pipelines LLC,
haley.oneill@pipelinelegal.com

Jerry Cox, Counsel for Republic Testing Laboratories, L.L.C.,
jcox@potomacstrategyassociates.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

**Denbury Gulf Coast Pipelines LLC,
and
Republic Testing Laboratories, LLC**

Respondents.

CPF No. 4-2025-024-NOPV-1

CONSENT ORDER

By letter dated January 17, 2025, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Notice of Probable Violation and Proposed Civil Penalty (Notice) to Denbury Gulf Coast Pipelines LLC (Denbury) and Republic Testing Laboratories, LLC (Republic).

In response to the Notice, Denbury contested the alleged violation and the accompanying proposed civil penalty and requested a hearing. (Republic responded separately.) Denbury and PHMSA subsequently engaged in good-faith settlement discussions in order to settle the allegations in the Notice as applied to Denbury. As a result of those discussions, Denbury and PHMSA have agreed to a Consent Agreement by which PHMSA withdraws the allegation of violation in the Notice as applied to Denbury, and Denbury will complete certain compliance actions.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Consent Order issued pursuant to 49 CFR § 190.219. Denbury is hereby ordered to comply with the terms of the Consent Agreement pursuant to its terms. Pursuant to 49 U.S.C. § 60101, et seq., failure to comply with this Consent Order may result in the assessment of civil penalties as set forth in 49 U.S.C. § 60122 and 49 CFR § 190.223, or in referral to the Attorney General for appropriate relief in a district court of the United States.

For recordkeeping purposes and future correspondence, this Consent Agreement and Consent Order will be referred to as CPF No. 4-2025-024-NOPV-1.

Neither the Consent Agreement nor this Consent Order withdraw, satisfy, merge, extinguish, or otherwise affect the alleged violation and proposed civil penalty asserted against Republic in the same Notice. Denbury's performance of its obligations under the Consent Agreement satisfy its individual obligations, but such performance does not release Republic from its potential liability for the same underlying facts or alleged violations. The enforcement proceeding against Republic remains active and is unaffected by this Order.

The terms and conditions of this Consent Order are effective upon service in accordance with 49 CFR § 190.5.

LINDA GAIL
DAUGHERTY

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GAIL DAUGHERTY
Date: 2026.05.21 15:10:36
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Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

May 22, 2026
Date Issued

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

In the Matter of:	§	
	§	
	§	
Denbury Gulf Coast Pipelines, LLC,	§	CPF No. 4-2025-024-NOPV
	§	
Respondent	§	
	§	
	§	

CONSENT AGREEMENT

On September 6, 7, 8, and 11, 2023, pursuant to Chapter 601 of Title 49, United States Code, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS) performed an inspection of activities related to Denbury Gulf Coast Pipelines, LLC's (Denbury) horizontal directional drilling pipeline installation. As part of the project, Denbury hired Republic Testing Laboratories, LLC (Republic) as a welding contractor. The inspection included visual observation of welding procedure qualifications and welder qualifications at Republic's facility in La Porte, Texas.

On November 2, 2023, Exxon Mobil Corporation (ExxonMobil) acquired Denbury in an all-stock transaction.

By letter dated January 17, 2025, the Director, Southwest Region, OPS (Director), issued to Denbury and Republic a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 CFR § 190.207, the Notice alleged both Denbury and Republic violated 49 U.S.C. § 60118(e)(2)(B)(i) and 49 C.F.R. § 190.203(e) and proposed a civil penalty of \$2,366,900.

On June 4, 2025, Denbury responded to the Notice by submitting a Request for Hearing and Statement of Issues disputing and objecting to the allegations.

PHMSA and Denbury subsequently met to discuss the issues raised in the Notice. As a result of those discussions and as explained in more detail below, PHMSA and Denbury agree that settlement of this proceeding by entry into this Consent Agreement (Agreement) is the most appropriate means of resolving the issues raised in the Notice, will avoid further administrative proceedings or litigation, and is in the public interest. Therefore, pursuant to 49 CFR § 190.219(a), without adjudication of any issue of law or fact, and upon consent and agreement, PHMSA and Denbury agree to the following terms and conditions:

I. General Provisions

1. Denbury acknowledges that as the operator of certain pipeline facilities, Denbury is subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Agreement, Denbury acknowledges that it received proper notice of PHMSA's action in this proceeding.

2. Denbury agrees to complete the actions specified in Section II of this Agreement (Corrective Measures), and for any items indicated as having already been completed, Denbury affirms that it has completed those actions and will provide documentation to PHMSA confirming completion.

3. After Denbury returns this signed Agreement to PHMSA, PHMSA's representative will present it to the Associate Administrator for Pipeline Safety, recommending that the Associate Administrator adopt the terms of this Agreement by issuing a Consent Order incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of this Agreement.

4. Denbury consents to the issuance of the Consent Order, and hereby waives any further procedural requirements with respect to its issuance. Denbury waives all rights to contest the adequacy of notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except for the dispute resolution provisions set forth herein. Denbury agrees to withdraw its request for an administrative hearing regarding the Notice.

5. This Agreement shall apply to and be binding upon PHMSA and Denbury, its officers, directors, and employees, and its successors, assigns, and other entities or persons otherwise bound by law. Denbury agrees to provide a copy of this Agreement to all of Denbury's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

6. This Agreement constitutes the final, complete, and exclusive agreement and understanding between PHMSA and Denbury with respect to the settlement embodied in this Agreement. PHMSA and Denbury acknowledge that there are no representations, agreements, or understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice.

7. Nothing in this Agreement affects or relieves Denbury of its responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against Denbury pursuant to the Federal pipeline

safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law except for any enforcement action(s) related to the inspection that took place at Republic's facility that was the subject of the Notice.

8. For all transfers of ownership or operating responsibility of Denbury's pipeline system referenced in the Notice, Denbury will provide a copy of this Agreement to the prospective transferee at least 30 days prior to such transfer. Denbury will provide written notice of the transfer to the Director no later than 60 days after the transfer occurs.

9. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Denbury's pipeline systems. This Agreement is not a permit, or modification of any permit, under any Federal, State, or local laws or regulations. Denbury remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations, and permits.

10. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondent or its officers, employees, or agents carrying out the work required by this Agreement. The U.S. Department of Transportation, its officers, employees, agents, and representatives shall not be liable for any cause of action arising from any acts or omissions of Denbury or its contractors in carrying out any work required by this Agreement.

11. This Agreement does not constitute a finding of violation of any Federal law or regulation and may not be used in any civil or administrative proceeding of any kind as evidence or proof of any fact, fault, or liability, or as evidence of the violation of any law, rule, regulation, or requirement, except in a proceeding to enforce the provisions of this Agreement. Denbury and PHMSA acknowledge and agree that this Agreement is entered into solely for the purpose of resolving this enforcement action, and nothing contained herein shall be construed as an admission of liability, fault, wrongdoing, or violation, and this Agreement shall not be construed as a violation for purposes of Denbury's enforcement history.

II. Corrective Measures

12. Upon issuance of the Consent Order, Denbury agrees to perform, or has already performed if so indicated, the Corrective Measures set forth below.

13. Following the termination of the inspection at Republic's facility, Denbury terminated Republic. Denbury's completed horizontal directional drilling pipeline installation did not ultimately include welds originating from the welding procedure or the welders it attempted to qualify at the Republic facility. Following its acquisition by ExxonMobil, Denbury later qualified a welding procedure and welders at a different welding facility.

14. Resulting from the acquisition of Denbury by ExxonMobil, Denbury adopted new procedures related to pipeline construction and pipeline operations relevant to the underlying

work performed at the inspection and the allegations in the Notice. These procedures include:

ExxonMobil Pipeline Company Standard/Procedure	Version Number/Date	Date of Transition from Denbury Standard/Procedure
Pipeline Welding Manual	Version 8.0, January 2025	02/28–04/03/2025
SWP-008 Hazardous Energy Control	Version 2.0, March 2024	07/01/2025
SWP-010 Work Permitting Standard	Version 2.2, May 2025	07/01/2025
SWP-012 Personal Protective Equipment	Version 2.1, April 2024	07/01/2025
SWP-014 Hot Work/Low Energy Standard	Version 2.2, September 2021	07/01/2025
SWP-015 Welding Safety	Version 2.0, March 2023	09/05/2025
SWP-017 Contractor Safety	Version 6.0, April 2025	04/03/2025
Contractor Safety and Administration Manual	Version 6.0, April 2025	04/03/2025
OIMS 8.1 Third Party Services	June 2022 version adopted by Denbury on 04/03/2025; revised June 2025	04/03/2025

15. Further resulting from the acquisition of Denbury by ExxonMobil, Denbury implemented the following:

- a. Regulatory compliance personnel receive on-the-job training and experience prior to leading an agency inspection by observing an inspection led by an experienced ExxonMobil regulatory compliance employee. Following the observation, the new regulatory compliance employee is prepared to lead an inspection. The regulatory compliance supervisor provides support and feedback as needed.
- b. Regulatory Compliance Training is presented to the regulatory compliance personnel in-person by a regulatory compliance team member. The training provides an overview of regulatory compliance requirements, sharing of examples, and encourages questions and discussion among participants. The training is developed internally by ExxonMobil Pipeline Company LLC and lasts at least an hour. Time is allotted for questions, discussion, and feedback, and feedback after the training is also encouraged. The regulatory compliance team

also provides continuous communications and training as new items arise. Examples that may prompt the additional communications and training include, but are not limited to, post-inspection reviews, new or revised regulatory requirements, and newly published PHMSA interpretations or advisory bulletins.

- c. The regulatory compliance personnel receive training on the ExxonMobil Standards of Business Conduct that includes, among other things, the ExxonMobil policies on ethics, harassment, and environmental health and safety. These employees complete an annual compliance statement at the end of each year, which requires each employee to confirm he/she is familiar with/has read the Standards of Business Conduct within the last 12 months. Additionally, there is online Business Practices Review training for new employees and every two years for existing employees, which covers the Standards of Business Conduct. This training takes approximately one hour to complete and was last updated on June 23, 2025. The training is developed internally. An evaluation is provided after the training allowing employees to provide feedback.

16. Within sixty (60) days of the entry of the Consent Order, PHMSA and Denbury will conduct a meeting, in-person or virtually, to discuss the events that took place at Republic's facility on September 6, 7, 8, and 11, 2023. Attendees at the meeting will include the PHMSA inspectors who were present at the inspection at Republic's facility, and the Denbury employees who were present at the inspection at Republic's facility, to the extent still employed by PHMSA and Denbury, respectively. The deadline may be extended, pursuant to the requirements contained in Paragraph 21 below, to accommodate schedules.

III. Dispute Resolution

17. The Director and Denbury will informally attempt to resolve any disputes arising under this Agreement, including any decision of the Director under the terms of Section II (Corrective Measures). If Denbury and the Director are unable to informally resolve the dispute within 15 calendar days after the dispute is first raised, in writing, to the Director, Denbury may submit a written request for a determination resolving the dispute from the Associate Administrator for Pipeline Safety. Such request must be made in writing and provided to the Director, counsel for the Southwest Region, and to the Associate Administrator no later than 10 calendar days from the 15-day deadline for informal resolution referenced in this paragraph. Along with its request, Denbury must provide the Associate Administrator with all information Denbury believes is relevant to the dispute. Decisions of the Associate Administrator under this paragraph will constitute final agency action. The existence of a dispute and PHMSA's consideration of matters placed in dispute will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process.

IV. Enforcement

18. This Agreement is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq.*, and 49 CFR Part 190, including administrative civil

penalties under 49 U.S.C. § 60122 of up to \$272,926 per violation for each day the violation continues and referral of the case to the Attorney General for judicial enforcement, if PHMSA determines that Denbury is not complying with the terms of this Agreement in accordance with the determinations made by the Director, or in accordance with decisions of the Associate Administrator if resolved pursuant to the Dispute Resolution process herein. The maximum civil penalty amounts are adjusted annually for inflation. *See* 49 C.F.R. § 190.223. All work plans and associated schedules set forth or referenced in Section II are automatically incorporated into this Agreement and are enforceable in the same manner.

V. Effective Date

19. The term “Effective Date,” as used herein, is the date on which the Consent Order is issued by the Associate Administrator incorporating the terms of this Agreement.

VI. Recordkeeping and Information Disclosure

20. Unless otherwise required in this Agreement, and to the extent records are required by Section II (Corrective Measures) of this Agreement, Denbury agrees to maintain records demonstrating compliance with all requirements of this Agreement for a period of at least five (5) years following completion of all work to be performed, unless a longer period of time is required pursuant to 49 CFR Parts 190-199. For any reports, plans, or other deliverables required to be submitted to PHMSA pursuant to this Agreement, Denbury may assert a claim of business confidentiality or other protections applicable to the release of information by PHMSA, covering part or all of the information required to be submitted to PHMSA pursuant to this Agreement in accordance with 49 CFR Part 7. Denbury must mark the claim of confidentiality in writing on each page, and include a statement specifying the grounds for each claim of confidentiality. PHMSA determines release of any information submitted pursuant to this Agreement in accordance with 49 CFR Part 7, the Freedom of Information Act, 5 U.S.C. § 552, DOT and PHMSA policies, and other applicable regulations and Executive Orders.

VII. Modification

21. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by both parties.

VIII. Termination

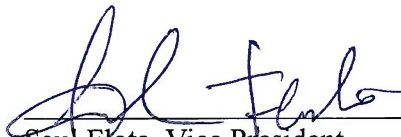
22. This Agreement will remain in effect until the Corrective Measures in Section II are satisfied, as determined by the Director. The Agreement shall not terminate until the Director confirms, in writing, that the Agreement is terminated in accordance with this paragraph, which the Director shall confirm no more than fifteen (15) days following a meeting that satisfies the requirements of Paragraph 16 of this Agreement. Nothing in this Agreement prevents Denbury from completing any of the obligations earlier than the deadlines provided for in this Agreement.

IX. Ratification

23. The undersigned representatives of PHMSA and Denbury certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

24. PHMSA and Denbury hereby agree to all terms and conditions of this Agreement.

For Denbury Gulf Coast Pipelines, LLC:


Saul Flota, Vice President

5-8-2026
Date

For PHMSA:

BRYAN JEFFERY
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Digitally signed by BRYAN
JEFFERY LETHCOE
Date: 2026.05.08 10:19:58
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Director, Southwest Region
Office of Pipeline Safety

May 8, 2026
Date