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

1200 New Jersey Avenue, SE
Washington, DC 20590

January 12, 2026

VIA ELECTRONIC MAIL TO: wesley.stewart@shell.com

Wesley Stewart
President/CEO
Equilon Enterprises, LLC DBA Shell Oil Products
150 North Dairy Ashford Road
Houston, Texas 77079

Re: CPF No. 4-2025-060-NOPV

Dear Mr. Stewart:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and specifies actions that need to be taken to comply with the pipeline safety regulations. When the terms of the compliance order are completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosures (Final Order and NOPV)

cc: Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Deborah Price, Integrity and Regulatory Manager, Shell Pipeline Company LP, deborah.price@shell.com
Mario Berrios, Facilities Manager, Equilon Enterprises, LLC DBA Shell Oil Products, mario.berrios@shell.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	
Equilon Enterprises, LLC DBA Shell Oil Products, a subsidiary of Shell Pipeline Company, LP,	**CPF No. 4-2025-060-NOPV**
Respondent.	

FINAL ORDER

On November 4, 2025, pursuant to 49 CFR § 190.207, the Director, Southwest Region, Office of Pipeline Safety (OPS), issued a Notice of Probable Violation (Notice) to Equilon Enterprises, LLC DBA Shell Oil Products (Respondent). The Notice proposed finding that Respondent had violated the pipeline safety regulations in 49 CFR Part 195. The Notice also proposed certain measures to correct the violations. Respondent did not contest the allegations of violation or corrective measures.

Pursuant to 49 CFR § 190.213, I find Respondent violated the pipeline safety regulation listed below, as more fully described in the enclosed Notice, which is incorporated by reference:

> 49 CFR § 195.573(e) **(Item 3)** ─ Respondent failed to correct identified deficiencies in corrosion control at the Sewaren Terminal within a reasonable time.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

Compliance Actions

Pursuant to 49 U.S.C. § 60118(b) and 49 CFR § 190.217, Respondent is ordered to take the actions proposed in the enclosed Notice to correct the violation. The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension. Upon completion of the ordered actions, Respondent may request that the Director close the case. Failure to comply with this Order may result in the assessment of civil penalties under 49 CFR § 190.223 or in referral to the Attorney General for appropriate relief in a district court of the United States.

Warning Items

With respect to Items 1 and 2, the Notice alleged probable violations of 49 CFR §§ 195.49 and 195.432(b), respectively, but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

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

Linda Daugherty Acting Associate Administrator for Pipeline Safety	Date Issued

U.S. Department of Transportation

Pipeline and Hazardous Materials Safety Administration

8701 S. Gessner, Suite 630
Houston TX 77074

NOTICE OF PROBABLE VIOLATION
AND
PROPOSED COMPLIANCE ORDER

VIA ELECTRONIC MAILTO: mario.berrios@shell.com

November 4, 2025

Mr. Mario Berrios
Facilities Manager
Equion Enterprises, LLC DBA Shell Oil Products
111 State Street
Sewaren, NJ 07077-1440

CPF 4-2025-060-NOPV

Dear Mr. Berrios:

From May 30 through December 5, 2024, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Equion Enterprises, LLC's (DBA Shell Oil Products) (Shell) Sewaren Terminal in Perth Amboy, New Jersey.

As a result of the inspection, it is alleged that Shell has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. § 195.49 Annual report.

Each operator must annually complete and submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year. An operator must submit the annual report by June 15 each year, except that for the 2010 reporting year the report must be submitted by August 15, 2011. A separate report is required for crude oil, HVL (including anhydrous ammonia), petroleum products, carbon dioxide pipelines, and fuel grade ethanol pipelines. For each state a pipeline traverses, an operator must separately complete those sections on the form requiring information to be reported for each state.

Shell failed to submit an accurate 2024 annual report in accordance with § 195.49. Specifically, Shell's DOT Form F 7000-1.1, filed on June 11, 2024, failed to include any of the 31 breakout tanks in operation at Shell's Sewaren Terminal.

2. § 195.432 Inspection of in-service breakout tanks.

(a) . . . .

(b) Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 (except section 6.4.3, Alternative Internal Inspection Interval) (incorporated by reference, see §195.3). However, if structural conditions prevent access to the tank bottom, its integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3). The risk-based internal inspection procedures in API Std 653, section 6.4.3 cannot be used to determine the internal inspection interval.

Shell failed to inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 in accordance with § 195.432(b). Specifically, Shell failed to conduct an internal inspection for Tank #202 at its Sewaren Terminal as stated in its May 2, 2008 internal inspection report.

Shell's internal inspection report for Tank #202, dated May 2, 2008, recommended the next internal inspection be conducted in 11.6 years (by December 7, 2019) or the tank bottom repaired and an internal inspection conducted in 20 years (by May 2, 2028). Shell placed tank on a 20 year inspection interval. However, during PHMSA's inspection, Shell was unable to present any records of repairs that justified the current 20 year inspection interval for Tank #202. Therefore, Tank #202 was out of compliance with its inspection interval.

Therefore, Shell failed to inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 in accordance with § 195.432(b). PHMSA recognizes that, after the PHMSA inspection, Shell conducted an internal inspection for Tank #202 on October 31, 2024 and provided the report.

3. § 195.573 What must I do to monitor external corrosion control?

(a) . . . .

(e) Corrective action. You must correct any identified deficiency in corrosion control as required by §195.401(b). However, if the deficiency involves a pipeline in an integrity management program under § 195.452, you must correct the deficiency as required by § 195.452(h).

§ 195.401 General requirements

(a) . . . .

(b) An operator must make repairs on its pipeline system according to the following requirements:

(1) Non Integrity management repairs. Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it must correct the condition within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

Shell failed to correct any identified deficiency in corrosion control in accordance with § 195.573(e). Specifically, Shell failed to correct low cathodic protection (CP) potential at the Sewaren Terminal for three consecutive inspection cycles in 2022, 2023, and 2024 in accordance with § 195.401(b)(1).

Shell's procedure *Inspection & Maintenance Practice 02-001 (Document Number D00-CAT0001-02), Appendix E – CP Survey* requires that pipelines, assets, and facilities meet a potential of -850 millivolts or greater. Shell's procedure *Inspection & Maintenance Practice: Cathodic Protection Systems (May 2011)*, Section 4.9 states that when low potentials are detected that are either significantly lower than the previous survey, are less negative than the criterion for protection, or indicate the need to evaluate the cathodic protection status between test leads, Shell will follow its troubleshooting procedures to investigate the cause. However, Shell's annual survey reports for cathodic protection for 2022, 2023, and 2024 indicate that the tanks numbered T-80, T-81, T-89, T-127, T-202, T-211, T-213, and T-214 did not meet the established cathodic protection potential criteria of -850 millivolts for any of those three years.

Therefore, Shell failed to correct any identified deficiency in corrosion control in accordance with § 195.573(e).

Proposed Compliance Order
With respect to Item 3 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Equion Enterprises, LLC dba Shell Oil Products. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items
With respect to Item 1 and Item 2, 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 promptly correct these items. Failure to do so may result in additional enforcement action.

Response to this Notice
Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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).

Following your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in 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 Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 4-2025-060-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

cc: Deborah Price, Integrity Regulatory Manager, Equion Enterprises, LLC dba Shell Oil Products, deborah.price@shell.com

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue a Compliance Order incorporating the following remedial requirements to ensure the compliance of Equion Enterprises, LLC (DBA Shell Oil Products) (Shell) with the pipeline safety regulations:

A. In regard to Item 3 of the Notice pertaining to Shell's failure to correct any identified deficiency in corrosion control in accordance with § 195.573(e), Shell must correct the issues and provide documentation that supports the adequacy and sufficiency of the cathodic protection criteria for the tanks numbered T-80, T-81, T-89, T-127, T-202, T-211, T-213, and T-214 within **90** days of receipt of the Final Order.

D. It is requested (not mandated) that Equion Enterprises, LLC (DBA Shell Oil Products) maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, 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.