



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

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

April 7, 2026

VIA ELECTRONIC MAIL TO: vrosa@nesmidstream.com

Vidal Rosa
Senior Vice President of Operations
Canyon Crossing LLC
3625 North Hall Street,
Suite 630
Dallas, Texas 75219

Re: CPF No. 4-2026-012-NOPV

Dear Mr. Rosa:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation, finds that the civil penalty amount of \$62,900 has been paid in full, 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
Vanessa Romero, EHS Regulatory Manager, Navigator Energy Services,
vromero@nesmidstream.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 |) | |
| |) | |
| Navigator Panhandle Holdco, LLC and Navigator PH Crossing LLC, |) | CPF No. 4-2026-012-NOPV |
| |) | |
| Respondent. |) | |
| |) | |

FINAL ORDER

On February 12, 2026, pursuant to 49 CFR § 190.207, the Director, Southwest Region, Office of Pipeline Safety (OPS), issued a Notice of Probable Violation (Notice) to Navigator Panhandle Holdco, LLC and Navigator Ph Crossing LLC (Respondent). The Notice proposed finding that Respondent had violated the pipeline safety regulations in 49 CFR Part 195 and proposed a civil penalty of \$62,900. The Notice also proposed certain measures to correct the violations. Canyon Crossing LLC responded to the Notice on March 19, 2026, stating that “Navigator Panhandle Holdco, LLC and Navigator PH Crossing LLC are now each known as Canyon Crossing LLC by way of merger that was complete on December 2, 2024.” Canyon Crossing LLC did not contest the allegations of violation or corrective measures and paid the proposed civil penalty on March 25, 2026. In accordance with section 190.208(a)(1), such payment authorizes the entry of this final order.

Based upon a review of all of the evidence, pursuant to section 190.213, I find Respondent violated the pipeline safety regulations listed below, as more fully described in the enclosed Notice, which is incorporated by reference:

49 CFR § 195.452(l)(1)(ii) (**Item 1**) — Respondent failed to have records to support its decision in selecting methods for integrity assessment based on specific integrity threats.

49 CFR § 195.452(g)(1) (**Item 2**) — Respondent failed to integrate information and attributes about its pipeline in its analysis of all available information about the integrity of its entire pipeline and the consequences of a possible failure along the pipeline.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent. In accordance with 49 CFR § 190.223, Respondent is assessed

the proposed civil penalty amount of \$62,900, which Respondent has already paid in full.

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 one of the violations. 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 upon 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.

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
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

VIA ELECTRONIC MAIL TO: vrosa@nesmidstream.com

February 12, 2026

Vidal Rosa
Senior Vice President of Operations
Navigator Energy Services
2626 Cole Avenue, Suite 900
Dallas, Texas 75204

CPF 4-2026-012-NOPV

Dear Mr. Rosa:

From August 5 to September 18, 2023 of the on-site inspection, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Navigator Panhandle Holdco, LLC, and Navigator Ph Crossing LLC's (Navigator) crude pipeline assets between Cushing, Oklahoma to Perryton, Oklahoma.¹

As a result of the inspection, it is alleged that Navigator 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. **§ 195.452 Pipeline integrity management in high consequence areas.**
 - (a)
 - (1) *What records must an operator keep to demonstrate compliance?*
 - (1) **An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At a minimum, an operator must maintain the following records for review during an inspection:**
 - (i)

¹ Navigator Panhandle Holdco, LLC, Navigator Ph Crossing, LLC, and The Glass Mountain Pipeline System (GMPL), are subsidiaries of Navigator Energy Services.

(ii) Documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section.

Navigator failed to have records to support its decision in selecting methods for integrity assessment based on specific integrity threats in accordance with § 195.452(l)(1)(ii) and its procedures.² Specifically, Navigator failed to have records that comply with its Integrity Assessment Method Selection Process Workflow as detailed in Section 3.1 *Select Integrity Assessment Methods* of its *Integrity Management Program Manual: Hazardous Liquid Pipeline Facilities* (Rev. Dec. 31, 2023), Section 3.1 *Select Integrity Assessment Methods*, when selecting the integrity assessment methods for the Arnett to Ruby, Cushing to Ruby, and Arnett to Perryton pipeline segments.

The records provided to PHMSA by Navigator did not include an evaluation of the specific integrity threats identified and considered for the identified segments through an updated risk analysis, periodic evaluations, previous assessments, or industry experience, and did not include an explanation for how integrity assessment methods were selected.

Therefore, Navigator failed to have records to support its decision in selecting methods for integrity assessment based on specific integrity threats in accordance with § 195.452(l)(1)(ii).

2. § 195.452 Pipeline integrity management in high consequence areas.

(a)

(g) *What is an information analysis?* In periodically evaluating the integrity of each pipeline segment (see paragraph (j) of this section), an operator must analyze all available information about the integrity of its entire pipeline and the consequences of a possible failure along the pipeline. Operators must continue to comply with the data integration elements specified in § 195.452(g) that were in effect on October 1, 2018, until October 1, 2022. Operators must begin to integrate all the data elements specified in this section starting October 1, 2020, with all attributes integrated by October 1, 2022. This analysis must:

(1) Integrate information and attributes about the pipeline that include, but are not limited to:

- (i) Pipe diameter, wall thickness, grade, and seam type;**
- (ii) Pipe coating, including girth weld coating;**
- (iii) Maximum operating pressure (MOP) and temperature;**

² Section 195.452(f)(2) requires operators to have a baseline assessment plan that meets the requirements of paragraph (c) of that section. Section 195.452(c)(i) and (c)(iii) require operators to include in its baseline assessment plan the methods selected to assess the integrity of the line pipe, and an explanation of the assessment methods selected and evaluation of risk factors considered in establishing the assessment schedule, respectively.

- (iv) Endpoints of segments that could affect high consequence areas (HCAs);**
- (v) Hydrostatic test pressure including any test failures or leaks - if known;**
- (vi) Location of casings and if shorted;**
- (vii) Any in-service ruptures or leaks - including identified causes;**
- (viii) Data gathered through integrity assessments required under this section;**
- (ix) Close interval survey (CIS) survey results;**
- (x) Depth of cover surveys;**
- (xi) Corrosion protection (CP) rectifier readings;**
- (xii) CP test point survey readings and locations;**
- (xiii) AC/DC and foreign structure interference surveys;**
- (xiv) Pipe coating surveys and cathodic protection surveys.**
- (xv) Results of examinations of exposed portions of buried pipelines (i.e., pipe and pipe coating condition, see § 195.569);**
- (xvi) Stress corrosion cracking (SCC) and other cracking (pipe body or weld) excavations and findings, including in-situ non-destructive examinations and analysis results for failure stress pressures and cyclic fatigue crack growth analysis to estimate the remaining life of the pipeline;**
- (xvii) Aerial photography;**
- (xviii) Location of foreign line crossings;**
- (xix) Pipe exposures resulting from repairs and encroachments;**
- (xx) Seismicity of the area; and**
- (xxi) Other pertinent information derived from operations and maintenance activities and any additional tests, inspections, surveys, patrols, or monitoring required under this part.**

Navigator failed to integrate information and attributes about the pipeline in its analysis of all available information about the integrity of its entire pipeline and the consequences of a possible failure along the pipeline in accordance with the requirements of § 195.452(g)(1). Specifically, Navigator failed to provide records demonstrating that it integrated the information and attributes that include, but are not limited to, the data integration elements in § 195.452(g)(1)(i) through (xxi), in its information analyses between 2018 and 2023.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed

\$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations.

We have reviewed the circumstances and supporting documentation involved for the above probable violation(s) and recommend that you be preliminarily assessed a civil penalty of \$62,900 as follows:

| <u>Item number</u> | <u>PENALTY</u> |
|--------------------|----------------|
| Item 1 | \$ 62,900 |

Proposed Compliance Order

With respect to Item 2 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Navigator Energy Services. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 4-2026-012-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: Vanessa Romero, EHS Regulatory Manager, Navigator Energy Services,
vromero@nesmidstream.com

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA), proposes to issue to Navigator Energy Services a Compliance Order incorporating the following remedial requirements to ensure the compliance of Navigator Energy Services with the pipeline safety regulations:

- A. In regard to Item 2 of the Notice pertaining to Navigator's failure to integrate information and attributes about the pipeline into its integrity management information analysis in accordance with § 195.452(g)(1), Navigator must revise its Integrity Management Program to include all information and attributes about its entire pipeline system, complete a data integration for each pipeline segment subject to Navigator's Integrity Management Program, and submit the revised procedure and analyses to the Director, Southwest Region, within **90** days of receipt of the Final Order.

- B. It is requested (not mandated) that Navigator 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.