

March 19, 2026

Via email, confirmed by nationally recognized overnight courier

Mr. Bryan Lethcoe
Director, Southwest Region PHMSA
Pipeline and Hazardous Materials Safety
Administration 8701 S. Gessner Ste. 1110
Houston, Texas 77074

RE: CPF 4-2026-012 NOPV ; Notice of Probable Violation and Proposed Compliance Order

Dear Mr. Lethcoe,

On February 18, 2026, Navigator Panhandle Holdco LLC and Navigator PH Crossing LLC (now each Canyon Crossing LLC, and referred to herein as “Navigator”) received a Notice of Probable Violation (NOPV) and Proposed Compliance Order from your office relating to a series of PHMSA inspections that were conducted on Navigator facilities located in Oklahoma and Texas from August 5 through September 18, 2023. Navigator Panhandle Holdco LLC and Navigator PH Crossing LLC are now each known as Canyon Crossing LLC by way of merger that was completed on December 2, 2024.¹

In that letter PHMSA outlines two (2) possible violations of 49 CFR 195 regulations. Navigator would like to respond to the alleged violations cited in the NOPV. The allegations and proposed civil penalty or compliance order, as applicable, are repeated below, and the Navigator response immediately follows each:

NOPV Alleged Violation:

1. § 195.452 Pipeline integrity management in high consequence areas. (a)
 - (l) 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)
 - (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.

¹ A copy of the merger certificate is attached hereto.

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).

NOPV Proposed Civil Penalty:

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

Navigator Response:

Navigator acknowledges that the documentation previously provided to PHMSA (including the segment summary and timeline/communications record provided following the audit on September 27, 2023) did not clearly demonstrate the threat-based evaluation

and decision logic required by §195.452(l)(1)(ii) and by Navigator procedures. While Navigator performed threat evaluation activities as part of integrity planning, the records package submitted did not adequately compile and link: (i) the identified threats, (ii) supporting data sources, and (iii) the decision rationale to the selected assessment method for each segment.

Accordingly, following the date of the audit Navigator revised its procedures to ensure that assessment method selection is documented in a consistent, threat-based format and retained for the useful life of the pipeline. Navigator however acknowledges that this was not available at the time of the audit, and Navigator therefore does not dispute PHMSA's proposed civil penalty in the amount of \$62,900.

NOPV Alleged Violation:

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.

NOPV 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 to 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

Navigator Response:

Navigator acknowledges that its data integration documentation practices required improvement at the time of the 2023 inspection, and that the records previously provided did not clearly demonstrate that the full scope of required § 195.452(g)(1) elements were integrated into the information analyses for the 2018–2023 period.

As further information for context, Navigator has since the time of the audit initiated standardized integrity sheets as part of its Integrity Management Program intended to serve as the segment-level information analysis record. Navigator is enhancing these integrity sheets and implementing additional governance so that:

1. All applicable § 195.452(g)(1)(i)–(xxi) data elements are systematically considered and documented (or explicitly marked “not applicable/not available” with basis),
2. The supporting source documents are indexed and retrievable for inspection, and
3. The integrity sheets include all applicable information and attributes about its pipeline system with integrated data.

Navigator does not dispute the proposed compliance order and agrees to provide the documentation described in the proposed compliance order within the timelines stated therein. Navigator respectfully will provide supporting documentation responsive to Item A in accordance with the compliance order.

Please contact me if PHMSA has questions or would like to schedule a coordination call.

Sincerely,

**CANYON CROSSING LLC (successor-by
merger to each of Navigator Panhandle Holdco
LLC and Navigator PH Crossing LLC)**



Vidal Rosa
Sr. Vice
President -
Operations,
Canyon
Crossing LLC

Attachments:
Canyon Crossing LLC Merger Certificate