



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 CIVIL PENALTY**

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

April 1, 2026

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

CPF 4-2026-017-NOPV

Dear Mr. Flota:

From June 5, 2024 to October 21, 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 Greencore Pipeline Company, LLC's (Greencore) and Denbury Onshore, LLC's Beaver Creek (Beaver Creek) pipeline systems in Wyoming.¹

As a result of the inspection it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

¹ As of 2024, both Greencore and Denbury Onshore, LLC are subsidiaries of ExxonMobil Pipeline Company LLC.

1. **§ 195.452 Pipeline integrity management in high consequence areas.**
 - (a)
 - (f) **What are the elements of an integrity management program?**

An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

 - (1) **A process for identifying which pipeline segments could affect a high consequence area;**
 - (2)
 - (5) **A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section);**
 - (g)
 - (j) **What is a continual process of evaluation and assessment to maintain a pipeline's integrity? —**
 - (1)
 - (3) **Assessment intervals. An operator must establish five-year intervals, not to exceed 68 months, for continually assessing the line pipe's integrity. An operator must base the assessment intervals on the risk the line pipe poses to the high consequence area to determine the priority for assessing the pipeline segments. An operator must establish the assessment intervals based on the factors specified in paragraph (e) of this section, the analysis of the results from the last integrity assessment, and the information analysis required by paragraph (g) of this section.**
 - (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.**

Denbury failed to maintain documents to support the decisions and analyses to implement and evaluate each element of its IMP in accordance with §195.452(l)(1)(ii). Specifically, Denbury failed to maintain records supporting its validation of which pipeline segments could affect a high

consequence area as required by §195.452(f)(1) and failed to maintain records that it established integrity assessment intervals in accordance with § 195.452(f)(5) and (j)(3).

Denbury's procedure *IMP0400-New and Existing HCA Validation*, section 4.2 (07/01/2020) requires that HCA validation is performed once each calendar year, not to exceed 15 months, and that for existing HCAs, it will use *Form IMP0400-01 – HCA Validation* for field documentation and verification of HCA status. During PHMSA's inspection, it requested the annual HCA validation records for Denbury's Greencore and Beaver Creek pipeline systems for three previous consecutive years. Denbury provided copies of *Form IMP0400-01* for 2024 but failed to provide copies of the form for both systems for 2022 or 2023. On July 28, 2025, Denbury submitted a response to PHMSA's Post-Inspection Written Preliminary Findings confirming that the copies of *Form IMP0400-01* could not be provided.

Furthermore, Denbury's *IMP0100_Integrity Management Plan*, section 4.7.2 (10/03/2022), "Risk-Based Assessment Interval Selection" requires the use of *Form IMP0620-02 – Assessment Planning* when establishing risk-based assessment intervals. During PHMSA's inspection, it requested copies of *Form IMP0620-02* for Denbury's Greencore and Beaver Creek pipeline systems. Denbury failed to provide copies of *Form IMP0620-02* for Beaver Creek. On July 28, 2025, Denbury submitted a response to PHMSA's Post-Inspection Written Preliminary Findings confirming that it could not locate copies of *Form IMP0620-02* for certain years for Beaver Creek.

Therefore, Denbury failed to maintain documents to support the decisions and analyses to implement and evaluate each element of its IMP in accordance with §195.452(l)(1)(ii).

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 and recommend that you be preliminarily assessed a civil penalty of \$ 68,500 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 68,500

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 4-2026-017-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

**BRYAN JEFFERY
LETHCOE**

 Digitally signed by BRYAN
JEFFERY LETHCOE
Date: 2026.04.01 07:54:58 -05'00'

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

Enclosures: Response Options for Pipeline Operators in Enforcement Proceedings

cc: Brian Carlin, CO2 Pipeline OPS Manager, brian.p.carlin@exxonmobil.com
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