



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

1200 New Jersey Avenue, SE
Washington, DC 20590

February 6, 2026

VIA EMAIL TO: d.poston@delfinlng.com

Mr. Dudley Poston
Chief Executive Officer
Delfin Offshore Pipeline LLC
25 West Cedar Street, Suite 215
Pensacola, Florida 32502

CPF 4-2026-028-CAO

Dear Mr. Poston:

Enclosed please find a Corrective Action Order (“CAO” or “Order”) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS). The CAO requires Delfin Offshore Pipeline, LLC (Delfin) to take certain corrective actions with respect to the pipeline failure that occurred on February 3, 2026, on Delfin’s Offshore Gas Pipeline in Cameron Parish, Louisiana.

Service of the CAO by email is effective upon the date of transmission and acknowledgment of receipt as provided under 49 CFR § 190.5. The terms and conditions of this Order are effective upon completion of service.

Sincerely,

**LINDA GAIL
DAUGHERTY** Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2026.02.06
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Linda Daugherty
Acting Associate Administrator
Pipeline and Hazardous Materials Safety
Administration

Enclosure: CAO

cc: Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Bill Daughdrill, President, Delfin Offshore Pipeline LLC, w.daughdrill@delfinlng.com

Daniel Werner, Chief Operating Officer, Delfin Offshore Pipeline LLC,
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paige.laborde@hoganlovells.com

CONFIRMATION OF RECEIPT REQUESTED

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

In the Matter of)	
Delfin Offshore Pipeline, LLC,)	
Respondent))
))

CPF No. 4-2026-028-CAO

CORRECTIVE ACTION ORDER

Background and Purpose

The Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), is issuing this Corrective Action Order (CAO or Order) pursuant to the authority provided in 49 U.S.C. § 60112. The CAO requires Delfin Offshore Pipeline, LLC (Delfin or Respondent) to take certain necessary corrective actions to protect the public, property, and the environment from the potential hazards associated with the continued operation of Delfin’s Offshore Gas Pipeline. Delfin’s Offshore Gas Pipeline is a 42-inch diameter natural gas pipeline that begins at the Genesis Energy junction platform located at West Cameron Block 167 (WC-167) in the Gulf of America and runs approximately 30 miles north to a termination point at Williams/Transco Station 44 located onshore near Johnson Bayou, Cameron Parish, Louisiana.

On February 3, 2026, at approximately 11:14 AM local time, Delfin’s Offshore Gas Pipeline ruptured (Failure) near Mae’s Beach and Johnson Bayou in Cameron Parish, Louisiana. The Failure resulted in a release of approximately 56 million cubic feet (mmcf) of natural gas, which subsequently ignited and burned for several hours, the ejection of 4-5 feet of pipeline, and injury to one individual. The Failure occurred in connection with Delfin’s efforts to clean and conduct an internal inspection of the Offshore Gas Pipeline, which has not been in operation since 2012, prior to returning the line to service.

Pursuant to 49 U.S.C. § 60117, PHMSA has initiated an investigation of the Failure. The preliminary findings of that ongoing investigation are as follows:

Preliminary Findings

- Delfin's Offshore Gas Pipeline is a 42-inch diameter natural gas pipeline that begins at the Genesis Energy junction platform located at West Cameron Block 167 (WC-167) in the Gulf of America and runs approximately 30 miles to a termination point at Williams/Transco Station 44 located onshore near Johnson Bayou, Cameron Parish, Louisiana. Approximately 29 miles of the pipeline are offshore, with an approximately one-mile onshore portion that crosses State Highway 82 and several other hydrocarbon pipelines.
- Delfin's Offshore Gas Pipeline was constructed in 1978 with double submerged arc weld (DSAW) seam pipe. The onshore portion uses an impressed cathodic protection system. The pipeline has a maximum allowable operating pressure (MAOP) of 1250 psig.
- In 2012, a prior operator purged, isolated, and filled the Delfin Offshore Gas Pipeline with nitrogen. The pipeline has remained out of service since that time.
- On February 3, 2026, Delfin was running a cleaning pig with caliper in-line inspection (ILI) tool through the pipeline. Delfin injected compressed natural gas into the pipeline to facilitate the pigging run.
- At approximately 11:14 AM local time, the onshore portion of the pipeline ruptured near Mae's Beach and Johnson Bayou in Cameron Parish, Louisiana. The Failure created a crater, ejected approximately 4-5 feet of pipe, and caused a fire roughly 50-80 feet wide that continued to burn for an extended period of time.
- The Failure occurred at a valve site approximately 650 feet north of the shoreline, approximately a half-mile south of State Highway 82.
- The Failure injured one individual, who was transported for treatment to a local hospital.
- Pressure readings on the pipeline significantly dropped after the Failure. Subsequent communications between the offshore and onshore teams conducting the pigging run caused personnel on platform WC-167 to isolate the upstream valve and to begin the process of depressurizing the line.
- At 12:52 PM Eastern Time on February 3, 2026, the U.S. Coast Guard (USCG) notified the National Response Center (NRC) of the fire. At the time of the NRC report the cause of the Failure was unknown. At 1:16 PM Eastern Time, USCG filed a second NRC report.
- The fire ceased and the pipeline completed depressurization to 0 psig on the evening of February 3, 2026.
- On February 4, 2026, at 9:56 AM Eastern Time, Delfin filed an NRC Report. Delfin reported that a release of an unknown amount of natural gas, a fire, and an injury to one individual requiring hospitalization occurred during pigging activities.

- On February 5, 2026, at 10:49 PM Eastern Time, Delfin filed a second NRC report, and noted that the Failure caused an estimated release of 56 mmcf of natural gas.
- The release and ignition of natural gas poses a risk to public safety, people, and the environment. The proximity of the pipeline to a state highway, other hydrocarbon pipelines, and the Gulf of America increases the possible consequences of additional releases from the pipeline.
- The cause of the Failure appears to be the cleaning pig impacting a closed valve. The pipeline is currently shut-in and not operating.
- The investigation of the Failure is on-going, and information could change. These preliminary findings may be amended based on further findings during the investigation.

Determination of Necessity for Corrective Action Order and Right to Hearing

Section 60112 of title 49, United States Code, authorizes PHMSA to determine that a pipeline facility is or would be hazardous to life, property, or the environment and if there is a likelihood of serious harm, to expeditiously order the operator of the facility to take necessary corrective action, including suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other appropriate action. An order issued expeditiously must provide an opportunity for a hearing as soon as practicable after the order is issued.

In deciding whether to issue an order, PHMSA must consider the following, if relevant: (1) the characteristics of the pipe and other equipment used in the pipeline facility, including the age, manufacture, physical properties, and method of manufacturing, constructing, or assembling the equipment; (2) the nature of the material the pipeline facility transports, the corrosive and deteriorative qualities of the material, the sequence in which the material is transported, and the pressure required for transporting the material; (3) the aspects of the area in which the pipeline facility is located, including climatic and geologic conditions and soil characteristics; (4) the proximity of the area in which the facility is located to environmentally sensitive areas; (5) the population density and population and growth patterns of the area in which the pipeline facility is located; (6) any recommendation of the National Transportation Safety Board made under another law; and (7) any other factors PHMSA may consider as appropriate.

After evaluating the foregoing preliminary findings of fact, and having considered the characteristics of the pipeline, the nature of the Failure; the hazardous nature of the material (natural gas) transported by the pipeline; the existing and potential additional impacts to life, property, or the environment; the uncertainties as to the cause of the Failure; the ongoing investigations to determine the cause of the Failure; and the possibility that the same condition(s) that may have caused the Failure remains present in the pipeline and could lead to additional failures, it is hereby determined that continued operation of Delfin's Offshore Gas Pipeline, as defined below, without corrective measures is or would be hazardous to life, property, or the environment, and that failure to issue this Order expeditiously would result in the likelihood of serious harm.

Accordingly, this Order mandating immediate corrective action is issued expeditiously without prior notice and opportunity for a hearing. The terms and conditions of this Order are effective upon completion of service.

Within 10 days of receipt of this Order, Respondent may request a hearing, to be held as soon as practicable, by notifying the Associate Administrator for Pipeline Safety in writing, with a copy to the Director, PHMSA, OPS Southwest Region. If a hearing is requested, it will be held in accordance with 49 CFR § 190.211.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken. Respondent will be notified of any additional measures required and, if appropriate, PHMSA will consider a further amended order. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Definitions

The Failure – The “Failure” means the rupture that occurred on the Failure Segment on February 3, 2026.

Failure Segment – The “Failure Segment” means Delfin’s Offshore Gas Pipeline, beginning at the Genesis Energy junction platform located at West Cameron Block 167 (WC-167) in the Gulf of America and running approximately 30 miles north to Williams/Transco Station 44 near Johnson Bayou, Cameron Parish, Louisiana.

Director – The “Director” means the Director, PHMSA, OPS Southwest Region.

Corrective Measures

1. ***Shutdown of the Failure Segment.*** Delfin must not operate the Failure Segment until authorized to do so by the Director.
2. ***Qualified Independent Third-Party.*** Within 14 days of the issuance of this Order, Delfin must select an independent third-party or -parties to perform the analyses, evaluations, assessments, and plan development as described in Corrective Actions Nos. 3, 4, 5, 6, 9, 10, and 11 and submit its selection along with their associated qualifications to the Director for approval.
 - a. If Delfin has, as of receipt of this Order, already contracted with an independent third-party or -parties to perform any of the actions described in Corrective Actions 3, 4, 5, 6, 9, 10, and 11, Delfin shall receive approval for the use of the third-party or -parties unless the Director determines that the third-party or -parties is not qualified to perform the actions selected.
3. ***Assessment and Inspection.*** Within 15 days of issuance of this Order, Delfin must submit to the Director a complete plan and schedule of inspection to determine the full extent of damage caused by the Failure and associated fire. The plan must be submitted to the Director for written approval prior to initiation. Delfin must implement the plan according to the schedule following

the Director's approval and provide weekly written reports of findings to the Director until a final report is prepared and submitted.

4. ***Mechanical and Metallurgical Testing.*** Within 60 days of receipt of this Order, Delfin must complete mechanical and metallurgical testing and failure analysis of the failed pipe, including an analysis of soil samples and any foreign materials. The testing and analysis must be completed as follows:

- a. Document the chain-of-custody when handling and transporting the failed pipe section and other evidence from the Failure site.
- b. Within 30 days of receipt of this Order, develop and submit the testing protocol and the proposed testing laboratory to the Director for prior approval.
- c. Prior to beginning the mechanical and metallurgical testing, provide the Director with the scheduled date, time, and location of the testing to allow for an OPS representative to witness the testing.
- d. Ensure the testing laboratory distributes all reports whether draft or final in their entirety to the Director at the same time they are made available to Delfin.

5. ***Root Cause Failure Analysis.*** Within 90 days following receipt of this Order, Delfin must complete a root cause failure analysis (RCFA) and submit a final report of this RCFA to the Director. The RCFA must be facilitated by the independent third-party and must document the decision-making process and all factors contributing to the failure. Delfin must ensure that all reports, whether draft or final, are made available in their entirety to the Director at the same time they are made available to Delfin. The final report must include findings and any lessons learned and whether the findings and any lessons learned are applicable to other locations within Delfin's pipeline system.

6. ***Restart Plan.*** Prior to initiating operation of the Failure Segment, Delfin must develop and submit a written Restart Plan to the Director for prior approval.

- a. The Director may approve the Restart Plan incrementally without approving the entire plan, but the Failure Segment cannot resume operation until the Restart Plan is approved in its entirety.
- b. Once approved by the Director, the Restart Plan will be incorporated by reference into this Order.
- c. The Restart Plan must provide for adequate patrolling of the Failure Segment during the restart process and must include incremental pressure increases during start up, with each increment to be held for at least 8 hours.
- d. The Restart Plan must include sufficient surveillance of the pipeline during each pressure increment to ensure that no leaks are present when operation of the line resumes.
- e. The Restart Plan must specify a day-light restart and include advance communications with local emergency response officials.
- f. The Restart Plan must provide for a review of the Failure Segment for conditions similar to those of the Failure, including a review of construction, operating and maintenance (O&M) and integrity management records, such as in-line inspection (ILI) results, hydrostatic tests, root cause failure analysis of prior failures, aerial and ground patrols, corrosion, cathodic protection, excavations and pipe replacements. Delfin must address any findings that require remedial measures to be implemented prior to restart.

- g. The Restart Plan must also include documentation of the completion of all mandated actions, and a management of change plan to ensure that all procedural modifications are incorporated into Delfin's operations and maintenance procedures manual.
- h. The Restart Plan must provide for hydrostatic pressure testing of the Failure Segment.
- i. Prior to restart, submit to the Director a contingency plan to operate and monitor the Failure Segment during flooding conditions, including enhanced patrolling and surveillance.

7. **Return to Service.** After the Director approves the Restart Plan, Delfin may return the Failure Segment to service but the operating pressure must not exceed twenty percent (20%) of the maximum allowable operating pressure (MAOP) of the pipeline.

8. **Removal of Pressure Restriction.**

- a. The Director may allow the removal or modification of the pressure restriction under Item 7 upon a written request from Delfin demonstrating that restoring the pipeline to its pre-failure operating pressure is justified based on a reliable engineering analysis showing that the pressure increase is safe considering all known defects, anomalies, and operating parameters of the pipeline.
- b. The Director may allow the temporary removal or modification of the pressure restrictions upon a written request from Delfin demonstrating that temporary mitigative and preventive measures are implemented prior to and during the temporary removal or modification of the pressure restriction. The Director's determination will be based on the Failure cause and provision of evidence that preventive and mitigative actions taken by the operator provide for the safe operation of the Failure Segment during the temporary removal or modification of the pressure restriction. Appeals to determinations of the Director in this regard will be decided by the Associate Administrator for Pipeline Safety.

9. **Records Verification.** Delfin must verify the records for the Failure Segment that were used to establish the MAOP in accordance with § 192.619, including any adjustments needed for the current class locations per §§ 192.609 and 192.611. Delfin must submit documentation of this records verification to the Director within 45 days of receipt of this Order.

10. **Emergency Response Plan and Training Review.** Delfin must review and assess the effectiveness of its emergency response plan with regards to the Failure. The review and assessment must include the on-scene response and support, coordination, and communication with emergency responders and public officials. Delfin must also include a review and assessment of the effectiveness of its emergency training program. Delfin must amend its emergency response plan and emergency training, if necessary, to reflect the results of this review. The documentation of this Emergency Response Plan and Training Review must be available for inspection by OPS or provided to the Director, if requested.

11. **Remedial Work Plan (RWP).**

- a. Within 90 days following receipt of this Order, Delfin must submit a Remedial Work Plan (RWP) to the Director for approval.
- b. The Director may approve the RWP incrementally without approving the entire RWP.
- c. Once approved by the Director, the RWP will be incorporated by reference into this Order.

- d. The RWP must specify the tests, inspections, assessments, evaluations, and remedial measures Delfin will use to verify the integrity of the Failure Segment. It must address all known or suspected factors and causes of the Failure. Delfin should consider both the risk of another failure and the consequence of another failure to develop a prioritized schedule for RWP related work along the Failure Segment.
- e. The RWP must include a procedure or process to:
- i. Identify pipe in the Failure Segment with characteristics similar to the contributing factors identified for the Failure.
 - ii. Gather all data necessary to review the failure history (in service and pressure test failures) of the Failure Segment and to prepare a written report containing all the available information such as the locations, dates, and causes of leaks and failures.
 - iii. Integrate the results of the metallurgical testing, root cause failure analysis, and other corrective actions required by this Order with all relevant pre-existing operational and assessment data for the Failure Segment. Pre-existing operational data includes, but is not limited to, construction, operations, maintenance, testing, repairs, prior metallurgical analyses, and any third-party consultation information. Pre-existing assessment data includes, but is not limited to, ILI tool runs, hydrostatic pressure testing, direct assessments, close interval surveys, and DCVG/ACVG surveys.
 - iv. Determine if conditions similar to those contributing to the Failure are likely to exist elsewhere on the Failure Segment.
 - v. Conduct additional field tests, inspections, assessments, and/or evaluations to determine whether, and to what extent, the conditions associated with the Failure and other failures from the failure history (see (e)(ii) above) or any other integrity threats are present elsewhere on the Failure Segment. At a minimum, this process must consider all failure causes and specify the use of one or more of the following:
 - 1) Inline inspection (ILI) tools that are technically appropriate for assessing the pipeline system based on the cause of the Failure and that can reliably detect and identify anomalies,
 - 2) Hydrostatic pressure testing,
 - 3) Close-interval surveys,
 - 4) Cathodic protection surveys, to include interference surveys in coordination with other utilities (e.g. underground utilities, overhead power lines, etc.) in the area,
 - 5) Coating surveys,
 - 6) Stress corrosion cracking surveys,
 - 7) Selective seam corrosion surveys; and,
 - 8) Other tests, inspections, assessments, and evaluations appropriate for the Failure causes.

Note: Delfin may use the results of previous tests, inspections, assessments, and evaluations if approved by the Director, provided the results of the tests, inspections, assessments, and evaluations are analyzed with regard to the factors known or suspected to have caused the Failure.
 - vi. Describe the inspection and repair criteria Delfin will use to prioritize, excavate, evaluate, and repair anomalies, imperfections, and other identified

integrity threats. Include a description of how any defects will be graded and a schedule for repairs or replacement.

- vii. Based on the known history and condition of the Failure Segment, describe the methods Delfin will use to repair, replace, or take other corrective measures to remediate the conditions associated with the pipeline failure on February 3, 2026, and to address other known integrity threats along the Failure Segment. The repair, replacement, or other corrective measures must meet the criteria specified in (e)(vi) above.
 - viii. Implement continuing long-term periodic testing and integrity verification measures to ensure the ongoing safe operation of the Failure Segment considering the results of the analyses, inspections, evaluations, and corrective measures undertaken pursuant to the Order.
- f. Include a proposed schedule for completion of the RWP.
 - g. Delfin must revise the RWP as necessary to incorporate new information obtained during the failure investigation and remedial activities, to incorporate the results of actions undertaken pursuant to this Order, and to incorporate modifications required by the Director. Delfin must submit any plan revisions to the Director for prior approval. The Director may approve plan revisions incrementally. Any and all revisions to the RWP after it has been approved and incorporated by reference into this Order will be fully described and documented in the CAO Documentation Report (CDR).
 - h. Delfin must implement the RWP as it is approved by the Director, including any revisions to the plan.

12. CAO Documentation Report (CDR). Delfin must create and revise, as necessary, a CAO Documentation Report (CDR). When Delfin has concluded all the items in this Order it will submit the final CDR in its entirety to the Director. This will allow the Director to complete a thorough review of all actions taken by Delfin with regards to this Order prior to approving the closure of this Order. The intent is for the CDR to summarize all activities and documentation associated with this Order in one document.

- a. The Director may approve the CDR incrementally without approving the entire CDR.
- b. Once approved by the Director, the CDR will be incorporated by reference into this Order.
- c. The CDR must include but not be limited to:
 - i. Table of Contents;
 - ii. Summary of the pipeline failure of February 3, 2026, and the response activities;
 - iii. Summary of pipe data and properties and all prior assessments of the Failure Segment;
 - iv. Summary of all tests, inspections, assessments, evaluations, and analysis required by the Order;
 - v. Summary of the Mechanical and Metallurgical Testing as required by the Order;
 - vi. Summary of the RCFA with all root causes as required by the Order;
 - vii. Documentation of all actions taken by Delfin to implement the RWP, the results of those actions, and the inspection and repair criteria used;
 - viii. Documentation of any revisions to the RWP including those necessary to incorporate the results of actions undertaken pursuant to this Order and whenever necessary to incorporate new information obtained during the failure

- investigation and remedial activities;
- ix. Lessons learned while completing this Order;
- x. A path forward describing specific actions Delfin will take on its entire pipeline system as a result of the lessons learned from work on this Order; and
- xi. Appendices (if required).

Other Requirements:

13. Approvals. With respect to each submission under this Order that requires the approval of the Director, the Director may: (a) approve, in whole or part, the submission; (b) approve the submission on specified conditions; (c) modify the submission to cure any deficiencies; (d) disapprove in whole or in part, the submission, directing that Respondent modify the submission, or (e) any combination of the above. In the event of approval, approval upon conditions, or modification by the Director, Respondent shall proceed to take all action required by the submission as approved or modified by the Director. If the Director disapproves all or any portion of the submission, Respondent must correct all deficiencies within the time specified by the Director and resubmit it for approval.

14. Extensions of Time. The Director may grant an extension of time for compliance with any of the terms of this Order upon a written request timely submitted demonstrating good cause for an extension.

15. Reporting. Delfin must submit quarterly reports to the Director that: (1) include all available data and results of the testing and evaluations required by this Order; and (2) describe the progress of the repairs or other remedial actions being undertaken. The first quarterly report is due on April 1, 2026. The Director may change the interval for the submission of these reports.

16. Documentation of the Costs. It is requested that Respondent maintain documentation of the costs associated with implementation of this CAO. Include in each quarterly report submitted the to-date total costs associated with: (1) preparation and revision of procedures, studies, and analyses; (2) physical changes to pipeline infrastructure, including repairs, replacements, and other modifications; and (3) environmental remediation, if applicable.

Be advised that all material submitted in response to this enforcement action is subject to being 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).

In your correspondence on this matter, please refer to “**CPF No. 4-2026-028-CAO**” and for each document you submit, please provide a copy in electronic format whenever possible. The actions required by this Order are in addition to and do not waive any requirements that apply to Respondent’s pipeline system under 49 CFR Parts 190 through 199, under any other order issued to

Respondent under authority of 49 U.S.C. Chapter 601, or under any other provision of federal or state law.

Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

Failure to comply with this Order may result in the assessment of civil penalties and in referral to the Attorney General for appropriate relief in United States District Court pursuant to 49 U.S.C. § 60120.

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

LINDA GAIL
DAUGHERTY

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GAIL DAUGHERTY
Date: 2026.02.06
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Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

February 6, 2026

Date Issued