

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 10, 2019

Mr. Dave Hager
President and Chief Executive Officer
Devon Energy Corporation
dba Devon Energy Production Co. LP
333 West Sheridan Avenue
Oklahoma City, OK 73102

CPF 5-2019-6001M

Dear Mr. Ketter:

From July 30 to August 2, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Devon Energy Corporation's (Devon) written Operator Qualification (OQ) Program in Oklahoma City, Oklahoma.

During the inspection, PHMSA identified apparent inadequacies within Devon's written OQ procedures, as described below:

1. § 195.505 Qualification Program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) ...

(b) Ensure through evaluation that individuals performing covered tasks are qualified; ...

Devon's OQ Program had inadequate qualification methods used to ensure that the individuals performing covered tasks remained qualified to perform those tasks. The program did not

differentiate between methods used for initial qualification versus methods used for re-qualification.

Also, Devon's OQ Program did not specify standards for testing or performance evaluations. The evaluation methods did not provide adequate criteria for evaluators to use to objectively verify individual employees' knowledge, skills, and abilities. For example, Devon's methods for conducting testing did not ensure that qualified employees demonstrated knowledge of its operations and maintenance procedures.

2. § 195.505 Qualification Program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) ...

(c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified; ...

Devon's written OQ Program did not have an adequate procedure to safely allow non-qualified individuals to be directed by a qualified individual, that adequately addressed key factors for span of control such as physical distance and communication barriers including noise levels and language comprehension.

3. § 195.505 Qualification Program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) ...

(g) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed; ...

Devon's written OQ Program did not have a process or procedure to establish and justify re-evaluation intervals. The operator uses an across-the board application of extended reevaluation intervals with no documented justification or basis for that time interval. Specifically, Devon's OQ Program did not consider the complexity of the task, the critical nature of the task, or the frequency of task performance (DIF analysis) when establishing re-evaluation intervals. Devon's Program also did not identify a minimum time-frame for re-evaluation upon failure of evaluation for a covered task, nor did it establish how many times an individual would be allowed to attempt the requalification process before the qualification is revoked.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Devon maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Acting Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2018-6001M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Chris Hoidal
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 (D. Fehling #160423)
Mr. Aaron Ketter, V.P. Rockies