



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 3, 2020

Mr. Andrew Prestridge
President
DCOR LLC
290 Maple Court, Suite 290
Ventura, CA 93003

CPF 5-2020-7001M

Dear Mr. Prestridge:

On August 26 through 28, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected and reviewed DCOR LLC's (DCOR) procedures for the crude oil transmission pipeline system that serves your offshore Platform A and the Rincon Onshore Separation Facility (ROSF) in Ventura, California.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within DCOR's plans or procedures, as described below:

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) ...

(3) An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure (see paragraph (g) of this section); ...

DCOR's written integrity management program (IMP-HL Section 6) failed to include written procedures for an analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure that includes all the information set forth in §195.452(g).¹ Specifically, Section 6.2 of DCOR's IMP only notes that data must be current and accurate, but fails to specifically describe what this data should consist of (e.g., ILI assessments, cathodic protection surveys, etc.) and how it is integrated in its risk analysis.²

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

(a) ...

(j) *What is a continual process of evaluation and assessment to maintain a pipeline's integrity?*

(1) ...

(2) *Evaluation.* An operator must conduct a periodic evaluation as frequently as needed to assure pipeline integrity. An operator must base the frequency of evaluation on risk factors specific to its pipeline, including the factors specified in paragraph (e) of this section. The evaluation must consider the results of the baseline and periodic integrity assessments, information analysis (paragraph (g) of this section), and decisions about remediation, and preventive and mitigative actions (paragraphs (h) and (i) of this section).

DCOR's written integrity management program (IMP-HL Section 6) did not have adequate written procedures for conducting a periodic evaluation, as frequently as needed, to assure pipeline integrity. Specifically, DCOR failed to specify the frequency of evaluation based on risk factors specific to its pipeline. Instead, Section 6.2 of its IMP states that the "risk analysis will be updated when information on these dominant risk factors changes significantly." Not only is the periodic evaluation interval undefined, but DCOR's IMP does not clarify what dominant risk factors are, or what a significant change to them might be.

¹ 49 C.F.R. §195.452(g) requires that an operator analyze all available information about the integrity of the entire pipeline and consequences of a failure, including information critical to determining the potential for, and preventing, damage due to excavation, including current and planned damage prevention activities, and development or planned development along the pipeline segment; data gathered through the integrity assessment requirements of 195.452; data gathered in conjunction with other inspections, tests, surveillance and patrols required by Part 195, including, corrosion control monitoring and cathodic protection surveys; and information about how a failure would affect the high consequence area, such as location of the water intake.

² Historical data, in addition to current data, is critical to analyzing the integrity of the entire pipeline and consequences of a failure.

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 60 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 DCOR LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2020-7001M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Dustin Hubbard
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 N. Cruz (#166309)