

VIA ELECTRONIC MAIL TO: martyn.willsher@amplifyenergy.com

Martyn Willsher
President and Chief Executive Officer
Amplify Energy Corp.
111 Ocean Boulevard, Suite 1240
Long Beach, CA 90802

CPF No. 5-2021-054-CAO

Dear Mr. Willsher:

Enclosed please find an Amendment to the Corrective Action Order (CAO) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), in the above-referenced case on October 4, 2021.

Service by electronic transmission is deemed complete upon transmission and acknowledgement of receipt, or as otherwise provided under 49 C.F.R. § 190.5. The terms and conditions of this Amendment to the CAO are effective upon completion of service.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure: Amendment to the CAO

cc: Ms. Linda Daugherty, Deputy Associate Administrator for Field Operations, OPS
Mr. Dustin Hubbard, Director, Western Region, OPS
Mr. Dan Steward, Vice President of Operations, Beta Offshore, via email at
dan.steward@amplifyenergy.com
Mr. Rick Armstrong, Pipeline and Marketing Manager, Beta Offshore, via email at
rick.armstrong@amplifyenergy.com

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In the Matter of	)	
	)	
Beta Offshore,	)	CPF No. 5-2021-054-CAO
a subsidiary of Amplify Energy Corp.,	)	
	)	
Respondent.	)	
	)	

Purpose and Background

Additional Preliminary Finding

Determination of Necessity for Amended Corrective Action Order and Right to Hearing

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 are 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 hazardous liquid pipeline 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) other factors PHMSA may considers appropriate.

After evaluating the foregoing additional preliminary finding of fact, and having considered the characteristics of the pipeline, including its location offshore, the hazardous nature of the material (crude oil) transported, the uncertainty as to the root cause(s) of the Accident, the uncertainty of the failure location, the sensitive environmental areas in the vicinity of the pipeline, the ongoing impacts to marine and wildlife, and risk of additional, related accidents, I continue to find that operation of the pipeline 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. Further, I find that performance of Item 4 of the Original CAO is no longer technically feasible, and therefore it is necessary to order alternative actions.

Accordingly, this Amendment to the CAO mandating immediate corrective action is issued without prior notice and opportunity for a hearing. The additional actions set forth in this Amendment to the CAO are in addition to the actions set forth in the Original CAO and do not suspend or eliminate the requirements of the Original CAO, unless otherwise specifically provided herein. The terms and conditions of this Amendment to the CAO are effective upon receipt.

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, Western Region, PHMSA (Director). If a hearing is requested, it will be held in accordance with 49 C.F.R. § 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 amending this 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.

Amendment to Required Corrective Actions

Item 4 of the Original CAO is revised as follows:

4. *In-Line Assessment.* Upon completion of final repairs of the *Affected Pipeline*, subject to the approval by the Director of its Restart Plan, Beta Offshore must conduct an ILI of the *Affected Pipeline* using a geometry tool, a high-resolution axial magnetic flux leakage (MFL) tool and must follow all the applicable requirements set forth in 49 C.F.R. § 195.452. In addition, Beta

Offshore must perform a strength test to be an eight (8) hour hold to a minimum pressure of 125% of the MOP of 1,152 psig (i.e 1,440 psig) in conformance with 49 C.F.R. § 192.506 and consist of a fifteen (15) minute hold of 2,220 psig, which is 1.5 times the working pressure of the ANSI 600 series flange.

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).

In your correspondence on this matter, please refer to “CPF No. 5-2021-054-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 C.F.R. 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. This Order does not preclude additional enforcement by PHMSA.

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 C.F.R. § 190.5.

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued