

WARNING LETTER

VIA ELECTRONIC MAIL TO: Lisa.Laine@chevron.com

May 3, 2023

Ms. Lisa Laine
Senior HSE Manager
Chevron Corporation
1400 Smith St.
Houston, TX 77002

CPF 5-2023-001-WL

Dear Ms. Laine:

From June 14, 2022 through June 16, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Noble's Wells Ranch hazardous liquid pipeline system in Weld County, Colorado.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 items inspected, and the probable violations are:

1. § 195.420 Valve maintenance.

(a)

(b) Each operator shall, at intervals not exceeding 7 ½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

¹ Noble Energy Inc. is a subsidiary of Chevron Corporation.

Noble failed to inspect each mainline valve to determine that it is functioning properly at intervals not exceeding 7 ½ months, but at least twice each calendar year. During the PHMSA inspection, Noble was unable to provide a total of eleven Lilli NGL pipeline valve inspection records for the following 4" valves within the required 2-year record retention period.²

Launcher NGL Valves (3)

- Valve ID: 720, S/N: 526708
- Valve ID: 719, S/N: 526710
- Valve ID: 721, S/N: 518688

Midway NGL Valve (1)

- Valve ID: AABV 1625, S/N: 526712

Receiver NGL Valves (5)

- Valve ID: 848, S/N: 626711
- Valve ID: AABV 850, S/N: 518689
- Valve ID: N/A, S/N: OBD TX 05-18
- Valve ID: N/A, S/N: OBD U3 05-18
- Valve ID: N/A, S/N: OBD U0 05-18

CTV to Williams NGL Valve (1)

- Valve ID: NGL 1759, S/N: 05JPS

For all Launcher, Midway, and Receiver NGL valves, the inspection interval between April 10, 2021 and March 7, 2022 was 10.88 months, which exceeded the 7 ½ month requirement in § 195.420(b).

The CTV to Williams NGL 1759 Valve inspection interval between October 29, 2020 and March 25, 2022, was 16.83 months, which exceeded the 7 ½ month requirement in § 195.420(b), showing that the inspection of this valve was missed for two cycles.

2. § 195.428 Overpressure safety devices and overfill protection systems.

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Noble failed inspect and test pressure control equipment on pipelines carrying highly volatile liquids (HVLs) at intervals not to exceed 7 ½ months, but at least twice each calendar year, to determine they were functioning properly, in good mechanical condition, and adequate from a standpoint of capacity and reliability of operation for the service in which they are used. Specifically, during the PHMSA inspection, Noble was unable to provide Overpressure

² See 49 C.F.R. §195.404(c)(3) (requiring operators to maintain a record of each inspection or test required by Subpart F for at least two years or until the next inspection or test is performed, whichever is longer).

Protection (OPP) safety inspection and testing records for Lilli NGL Discharge Emergency Shutdown Systems (ESD), which includes NGL - Pump ESD (PIT S/N: 561083), Midpoint ESD (PIT S/N: 2506041), and Receiver ESD (PIT S/N: 2506042).³ A total of six inspection records could not be located within the required 2-year record retention period.⁴

3. § 194.121 Response plan review and update procedures.

(a)

(b) If a new or different operating condition or information would substantially affect the implementation of a response plan, the operator must immediately modify its response plan to address such a change and, within 30 days of making such a change, submit the change to PHMSA. Examples of changes in operating conditions that would cause a significant change to an operator's response plan are:

Noble failed to notify PHMSA of a new or different operating condition or information that would substantially affect the implementation of its response plan within 30 days of making such a change. Specifically, during the PHMSA inspection, the Operator informed PHMSA that the Laramie 12 Inch line section was no longer operated by Noble and was now operated by Chevron Midstream Services LLC (OPID: 40419). According to § 194.121(b), Noble was required to notify PHMSA within 30 days of the removal of the Laramie 12 Inch line section. Since this was noted as having the highest worst case discharge (WCD) volume in the 2018 DJ Basin Pipeline Emergency Response Plan (ERP).

4. § 194.105 Worst case discharge.

(a) Each operator shall determine the worst case discharge for each of its response zones and provide the methodology, including calculations, used to arrive at the volume.

Noble failed to determine the WCD for each of its response zones, as required. Specifically, the line section that was reported in the 2022 DJ Basin Pipeline ERP to have the highest WCD volume was the Tampa 12 Inch, Milton Terminal to Block Valve 1. A review of NPMS data shows that the total length for the entire Tampa 12 Inch line segment is about half as long as that reported in the ERP. A reduction in the line section length will impact the calculated WCD volume. It is unclear whether this reduction will result in a lower WCD volume compared to other line sections listed in the ERP.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to 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 \$2,391,142 for a related series of violations. For violation

³ No records could be located for calendar year 2020 and the inspection interval between April 28, 2021 and June 6, 2022.

⁴ See 49 C.F.R. §195.404(c)(3) (requiring operators to maintain a record of each inspection or test required by Subpart F for at least two years or until the next inspection or test is performed, whichever is longer).

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. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Noble Energy, Inc. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply in your correspondence, please refer to **CPF 5-2023-001-WL**. 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).

Sincerely,

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 M. Mulligan, M. Flaherty (#22-232527)
Jenifer Wolfe – DOT Compliance Primary, Chevron Corp., Jenifer.Wolfe@chevron.com