

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: Martyn.Willsher@amplifyenergy.com

December 26, 2023

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

CPF 5-2023-041-NOA

Dear Mr. Willsher:

From November 28 through December 2, 2022, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Amplify Energy's Beta Offshore procedures (Beta) and records for control room management in Long Beach, California.

Based on the inspection, PHMSA has identified the apparent inadequacies found within Beta's procedures and records, as described below:

1. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. ...

Beta's control room management procedures are inadequate to ensure safe operation of a pipeline facility. Specifically, Beta's procedure, Pipeline Specific Operations and Maintenance Manual (PSOM), Section 19 - Control Room Management¹ does not contain instructions for conducting and documenting the annual review.

Therefore, Beta must amend its procedure to provide instructions for conducting and documenting the required procedure review once each calendar year, not to exceed 15 months.

2. §195.446 Control room management.

(a)

(b) *Roles and responsibilities.* Each operator must define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions. To provide for a controller's prompt and appropriate response to operating conditions, an operator must define each of the following:

(1) A controller's authority and responsibility to make decisions and take actions during normal operations; ...

Beta's control room management procedures are inadequate to ensure safe operation of a pipeline facility. Specifically, Beta's procedures fail to clearly define the roles and responsibilities of controllers during normal operating conditions. Beta's procedure BPS-005 -- Start Up Pipeline Beta Shipping Pipeline 3, fails to adequately define the roles and responsibilities of the on-shore Pipeline Technicians and the Elly Control Room Operators when making on-shore deliveries to the Crimson Pipeline. BPS-005 -- Start-Up Pipeline Beta Shipping Pipeline 3 is unclear as to whether the Beta Pump Station or the Elly Control Room controls the delivery to Crimson Pipeline.

Additionally, Beta's procedure, PSOM Section 19 - Control Room Management², does not require controllers to stay at the console to verify all SCADA commands that have been initiated are fulfilled and that commands given via verbal communications are acknowledged before leaving the console for any reason.

Therefore, Beta must amend its procedure to clearly define the roles and responsibilities of the controllers during normal operating conditions as detailed above.

3. §195.446 Control room management.

(a)

(c) *Provide adequate information.* Each operator must provide its controllers with the information, tools, processes, and procedures necessary for the controllers to

¹ See page 32 of PSOM Section 19 - Control Room Management, under "Annual Review of the Fatigue Management Program to Achieve Continuous Improvement".

² See page 15-16 of PSOM Section 19 - Control Room Management, Section 304 - R&Rs Shift Change Information & Accountability.

carry out the roles and responsibilities the operator has defined by performing each of the following:

(1) Implement API RP 1165 (incorporated by reference, *see* § 195.3) whenever a SCADA system is added, expanded or replaced, unless the operator demonstrates that certain provisions of API RP 1165 are not practical for the SCADA system used; ...

Beta's control room management procedures are inadequate to ensure safe operation of a pipeline facility. Specifically, Beta's procedure, PSOM Section 19 - Control Room Management Rev#20014-1, fails to clearly define the types of changes to the SCADA system that constitute additions, expansions, or replacements. PSOM Section 19 subsection 402 Pipeline SCADA/Control Panel Displays paraphrases §195.446(c)(1) and API RP 1165 without providing guidance on what changes would trigger the requirement to implement API RP 1165.

Therefore, Beta must amend its procedures to clearly identify and define the types of changes to the SCADA system that constitute additions, expansions, or replacements under the meaning of the CRM rule.

4. §195.446 Control room management.

(a)

(c) *Provide adequate information.* Each operator must provide its controllers with the information, tools, processes, and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1)

(2) Conduct a point-to-point verification between SCADA displays and related field equipment when field equipment is added or moved and when other changes that affect pipeline safety are made to field equipment or SCADA displays; ...

Beta's control room management procedures are inadequate to ensure safe operation of a pipeline facility. Specifically, Beta's procedure, PSOM Section 19 - Control Room Management³, does not define the terms 'point' or 'safety-related point', and in Section 608 - Operations, Maintenance, Assessment, and Monitoring. Upon review of the procedure, it was observed that the term point is used in multiple and inconsistent ways. Additionally, the procedure does not provide a process for establishing points on the pipeline, – including the process for selecting initial setpoint values for points on the pipeline.

Therefore, Beta must amend its procedures to define the terms 'point' and 'safety-related point' and clearly identify the process for establishing points on the pipeline including how setpoint values are selected for points on the pipeline.

5. §195.446 Control room management.

(a)

³ See page 34-51 of PSOM Section 19 - Control Room Management, Section 600 – Alarm Management Plan.

(d) *Fatigue mitigation.* Each operator must implement the following methods to reduce the risk associated with controller fatigue that could inhibit a controller's ability to carry out the roles and responsibilities the operator has defined:
(1) Establish shift lengths and schedule rotations that provide controllers off-duty time sufficient to achieve eight hours of continuous sleep; ...

Beta's control room management procedures are inadequate to ensure safe operation of a pipeline facility. Specifically, Beta's procedure, PSOM Section 19 -- Control Room Management⁴ does not address methods to mitigate travel fatigue associated with controllers commuting long distances for their first controller shift at the duty station. Commuting to Beta Offshore Platform Elly, located off the southern California coast, can include a one or two-hour boat ride from shore to the platform in addition to the time it takes the controller to commute from their home to the crew boat pier. However, Beta's procedures for creating schedule rotations does not take into consideration commuting time between shifts as part of its fatigue risk mitigation measures.

Therefore, Beta must amend its procedures to address operator-specific fatigue risk and provide fatigue mitigation measures for this risk to assure pipeline controllers are able to safely operate the pipeline.

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 **30** days of receipt of this Notice. This period may be extended by written request for good

⁴ See page 22-33 of PSOM Section 19 - Control Room Management, Section 500 – Fatigue Management.

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 BETA 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 5-2023-041-NOA**, 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 Enforcement Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 J. Dunphy (#22-232644)
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