



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety  
Administration**

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

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED CIVIL PENALTY**

**VIA ELECTRONIC MAIL TO: [skolassa@harvestmidstream.com](mailto:skolassa@harvestmidstream.com)**

December 27, 2023

Mr. Sean Kolassa  
President  
Harvest Alaska, LLC  
1111 Travis St.  
Houston, TX 77002

**CPF 5-2023-058-NOPV**

Dear Mr. Kolassa:

From April 3 through September 15, 2023, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected your Cook Inlet Pipeline (CIPL).

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

**1. § 195.262 – Pumping Equipment.**

**(a) . . . .**

**(b) The following must be provided in each pump station:**

**(1) Safety devices that prevent overpressuring of pumping equipment, including the auxiliary pumping equipment within the pumping station.**

Harvest Alaska, LLC (Operator) failed to provide an overpressure prevention safety device for an auxiliary pump within a pump station as is required by § 195.262. Inspectors from PHMSA visited the Granite Point pump station for the CIPL on May 14, 2023. Inspectors observed an auxiliary positive displacement style pump utilized for pig trap drain down and reinjection that had no apparent overpressure protection. When onsite, the Operator indicated that the pump was used as needed for pig trap drain down during pigging operations. The Operator failed to provide an overpressure protection safety device for the auxiliary pump utilized for pig trap drain down at the Granite Point pump station as is required. Accordingly, the Operator is in violation of § 195.262. However, the Operator installed a Pressure Safety Valve (PSV) in July 2023 because of PHMSA’s inspection.

**2. § 195.428 – Overpressure safety devices and overflow 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 7 ½ 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.**

The Operator failed to conduct testing and inspection of the overpressure control device PIT-16 at least once each calendar year and at an interval not to exceed 15 months as is required by § 195.428. Specifically, the Operator provided record of inspection and testing of PIT-16 for calendar years 2021 and 2023 but did not provide record of inspection and testing of PIT-16 for the year 2022.

PIT-16 is located upstream of the CIPL, and the device is owned and operated by another operator that provides crude oil directly piped into the CIPL. Piping and instrumentation diagrams provided by the upstream operator indicate that PIT-16 is located downstream of three centrifugal pumps piped in series. PIT-16 is configured to shut down all three upstream pumps and shut in Shutdown Valve 7006 (SDV-7006) when PIT-16 senses a high pressure of 245psig. MOP for CIPL is 285psig.

The Operator was previously warned for a similar issue in CPF 5-2021-015-WL, which cited 195.428(c) for “failing to conduct the required inspections of the overflow protection devices on the crude oil relief tank (Tank 001) at the KPL Junction Facility, where the Cook Inlet Pipeline and Swanson River Pipeline systems interconnect.”

CIPL Operator failed to perform inspection and testing of pressure control device PIT-16 in 2022 and accordingly, is in violation of §195.428(a).

**3. § 195.452 – Pipeline integrity management in high consequence areas.**

**(a) . . . .**

***(e) What are the risk factors for establishing an assessment schedule (for both the baseline and continual integrity assessments)?***

**(1) An operator must establish an integrity assessment schedule that prioritizes pipeline segments for assessment (see paragraphs (d)(1) and (j)(3) of this section). An operator must base the assessment schedule on all risk factors that reflect the risk conditions on the pipeline segment. The factors an operator must consider include, but are not limited to:...**

The Operator failed to provide evidence of consideration of mandatory risk factors when extending the continual integrity assessment schedule for the CIPL as is required by § 195.452.

In 2020, the Operator changed the integrity assessment schedule for the 20” segment of the CIPL from a four-year to a five-year schedule, resulting in an assessment due in 2021 rather than 2020. The provided record of the decision to increase the interval included consideration of some of the required risk factors; however, there was no record of the consideration of all required minimum factors. Risk factors not found in the record of consideration included (but are not limited to): defect growth rate, pipe coating type and condition, leak history, repair history, cathodic protection history, and geotechnical hazards. The Operator failed to provide record of consideration of minimum required risk factors when extending an assessment schedule and accordingly is in violation of § 195.452.

**4. § 195.452 – Pipeline integrity management in high consequence areas.**

**(a) . . . .**

***(i) What preventive and mitigative measures must an operator take to protect the high consequence area?***

**(1) General requirements. An operator must take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area. These measures include conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Such actions may include, but are not limited to, implementing damage prevention best practices, better monitoring of cathodic protection where corrosion is a concern, establishing shorter inspection intervals, installing EFRDs on the pipeline segment, modifying the systems that monitor pressure and detect leaks, providing additional training to personnel on response procedures, conducting drills with local emergency responders and adopting other management controls.**

The Operator failed to consider measures to prevent consequences of a pipeline failure in a high consequence area as is required by § 195.452.

PHMSA Inspectors observed the CIPL exposed to the atmosphere (uncovered) at the bottom of a bluff immediately upstream of the CIPL’s Cook Inlet crossing. The bluff appeared to historically shed large boulders from higher elevations near the exposed portion of the CIPL. Logs were observed to be stacked over the exposed portion of the CIPL, as well as the neighboring gas pipeline that was also exposed. It was unknown to the Operator representatives if the placed logs were being utilized to help protect the pipeline in some way. A review of the

Operator’s 2022 Comprehensive Risk Assessment and Preventative and Mitigative Measures Evaluation did not mention preventative measures with regard to this location and circumstances. The Operator failed to consider measures to prevent consequences of a pipeline failure in a high consequence area and accordingly, is in violation of § 195.452

Proposed Civil Penalty

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 \$2,391,412 for a related series of violations. For violation 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 documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty of \$ 63,300 as follows:

<u>Item number</u>	<u>PENALTY</u>
2	\$ 63,300

Warning Items

With respect to items 1, 3, and 4, 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 promptly correct these items. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 5-2023-058-NOPV**, and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

cc: PHP-60 Compliance Registry  
PHP-500 H. Keogh (#23-264394)  
Harold Colgrove, Compliance Manager, [harold.colgrove@harvestmidstream.com](mailto:harold.colgrove@harvestmidstream.com)