

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: cmonnin@hilcorp.com

December 19, 2023

Ms. Cindy Monnin
Director of Integrity - Alaska
Hilcorp Alaska, LLC
3800 Centerpoint Dr., Ste 1400
Anchorage, AK 99503

CPF 5-2023-063-NOA

Dear Ms. Monnin:

Since 2012, there have been questions regarding the regulatory classification and jurisdictional status of the surface piping and associated facilities at Hilcorp Alaska LLC's (Hilcorp) Swanson River Field, Kenai Gas Field, and Pretty Creek Unit (Cook Inlet Facilities), all located in the Cook Inlet area of Alaska.

The facilities at these locations were originally designed and operated as production fields. However, they now operate as both gas production and underground storage, containing a combination of production, gathering and transmission piping as well as underground natural gas storage. The Pipeline and Hazardous Materials Safety Administration (PHMSA) regulates, pursuant to 49 U.S.C. § 60101 et seq., gathering and transmission piping and finds that a large portion of piping at these facilities is subject to its pipeline safety regulations in accordance with 49 CFR Parts 191, 192 and 199.

PHMSA has identified that Hilcorp does not have an adequate procedure classifying the surface piping and associated facilities at the above locations.

Hilcorp's procedural inadequacy is described below:

1. **§ 192.605 Procedural manual for operations, maintenance, and emergencies.**

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Hilcorp's procedures are inadequate for conducting operations and maintenance activities and for emergency response because they do not properly define how to determine what piping in its Cook Inlet Facilities is transmission piping, what piping is gathering piping, and what piping is production piping. 49 CFR §§ 192.3 and 192.9 define PHMSA jurisdictional transmission and gathering lines. However, Hilcorp's procedures are unclear as to which pipelines are subject to the federal pipeline safety regulations.

Without clear determinations of what pipelines are subject to the pipeline safety regulations, PHMSA cannot confirm that the jurisdictional piping is being maintained in accordance with the code.

Therefore, Hilcorp must amend its procedures to properly define its surface piping and connected facilities at the Cook Inlet Facilities in accordance with 49 CFR §§ 192.3 and 192.9.

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 Enforcement 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 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 Hilcorp Alaska, 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 5-2023-063-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 G. St. Pierre, C. Dolchok (#23-294557)