

October 15, 2025

VIA ELECTRONIC MAIL TO: sknight@dcorllc.com

Mr. Scott Knight
Vice President, Operations
DCOR, LLC
1000 Town Center, Suite 600
Oxnard, CA 93036

Re: CPF No. 5-2024-011-NOPV

Dear Mr. Knight:

Enclosed please find the Final Order issued in the above-referenced case. It withdraws one of the allegations of violation, makes other findings of violation, and specifies actions that need to be taken by DCOR, LLC to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Western Region, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure

cc: Dustin Hubbard, Director, Western Region, Office of Pipeline Safety, PHMSA
Dave Willis, Pipeline Integrity Manager, DCOR, LLC, dwillis@dcorllc.com

CONFIRMATION OF RECEIPT REQUESTED

(b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:

(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and

(2) Make appropriate changes to the emergency response training program as necessary to ensure that it is effective.

The Notice alleged that Respondent violated 49 CFR § 195.403(b)(1) by failing to review with personnel their performance in meeting the objectives of the emergency response training program at intervals not exceeding 15 months, but at least once each calendar year. Specifically, the Notice alleged that at the time of PHMSA's inspection, DCOR was unable to produce any records that demonstrated that the reviews had taken place.

In its Response, DCOR contested Item 1, explaining that it conducts routine operator qualification (OQ) training and provides other emergency response training covering topics such as fire extinguisher training, H₂S, HAZWOPR, explosive and hazardous chemicals, abnormal operating conditions (AOCs), and Hazard Communication. DCOR also stated that it is in the process of building additional pipeline-specific emergency response training to include in the PetroSkills OQ program. DCOR stated the relevant records were attached to the Response as Attachment 1(a).

Having considered the Response, I find the evidence supports finding a violation. DCOR failed to provide any records demonstrating that it had reviewed with personnel their performance in meeting the objectives of the emergency response training program, as required by section 195.403(b)(1). While DCOR presented information about emergency response training in Attachment 1(a), the Notice alleged DCOR failed to review with personnel their performance. DCOR did not present any information regarding annual review of personnel performance in meeting the objectives of the training program.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.403(b)(1) by failing to review with personnel their performance in meeting the objectives of the emergency response training program at intervals not exceeding 15 months, but at least once each calendar year.

Item 2: The Notice alleged that Respondent violated 49 CFR § 195.404(b), which states:

§ 195.404 Maps and records.

(a)...

(b) Each operator shall maintain for at least 3 years daily operating records that indicate –

(1) The discharge pressure at each pump station; and

(2) Any emergency or abnormal operation to which the procedures under § 195.402 apply.

The Notice alleged that Respondent violated 49 CFR § 195.404(b) by failing to maintain for at least 3 years daily operating records that indicate the discharge pressure at each pump station and any abnormal operation to which the procedures under section 195.402(d) apply.

Specifically, the Notice alleged that at the time of the PHMSA inspection, DCOR was unable to provide any of these daily operating records.

In its Response, DCOR contested Item 2. DCOR explained in its Response that it monitors pipeline pressures through SCADA and the LDS and noted that inspectors observed pipeline pressures at the onshore receiving facility in Rincon during the inspection. DCOR also stated that it maintained records of any AOCs in the operator's daily logbook, which was discussed with inspectors at the time of inspection. DCOR acknowledged, however, that this process did not provide an effective means to review past AOCs. Since the inspection, DCOR reported that it is in the process of implementing a dedicated AOC reporting form for use by all operators. DCOR stated records for pipeline pressures were included in the Response as Attachment 2(a).

After reviewing DCOR's Response, I find the evidence supports finding DCOR failed to comply with sections 195.404(b)(1) and (2). DCOR asserted that it provided a dedicated AOC reporting form as Attachment 2(a), but upon review, PHMSA finds such a document was not included.¹ Without documentation of daily records of operating pressure and abnormal operations, which DCOR is required to maintain, PHMSA finds DCOR in violation of section 195.404(b) as alleged.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.404(b) by failing to maintain daily operating records that indicate the discharge pressure at each pump station and any abnormal operation to which the procedures under section 195.402(d) apply for at least 3 years.

Item 3: The Notice alleged that Respondent violated 49 CFR § 195.404(c)(3), which states:

§ 195.404 Maps and records.

(a)...

(c) Each operator shall maintain the following records for the periods specified:

(1)...

(3) A record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.

The Notice alleged that Respondent violated 49 CFR § 195.404(c)(3) by failing to maintain a record of each inspection and test required by Subpart F of Part 195 for at least 2 years or until the next inspection or test is performed, whichever is longer. Specifically, the Notice alleged that at the time of the PHMSA inspection, DCOR was unable to provide any records demonstrating that it had inspected valve PSV ROSF-117 at least twice each calendar year, but at intervals not exceeding 7½ months in accordance with section 195.420(b).²

¹ In a recommendation for final action dated September 5, 2024, submitted pursuant to section 190.209(b)(7), the Director identified that several records DCOR claimed were included in the Response (e.g., for Items 2, 6, and 8), were in fact not included. The Director provided a copy of his recommendation to DCOR on September 5, 2024.

² Section 195.420(b) requires operators to inspect each mainline valve at least twice each calendar year, but at intervals not exceeding 7½ months.

In its Response, DCOR contested Item 3. DCOR stated in its Response that during the inspection it did not have access to the pressure safety valve (PSV) records, but those records have since been located. DCOR explained that ICS performed all PSV testing and was able to provide copies of the PSV testing reports. DCOR included a copy of the inspection records for PSV ROSF-117 with its Response as Attachment 3(a).

After evaluating the Response submitted by Respondent, I find that the evidence supports finding DCOR failed to comply with section 195.404(c)(3). Upon review of Attachment 3(a), these records demonstrate only that the valve was inspected once per year from 2020 through 2022. The valve was not inspected twice per calendar year, at intervals not exceeding 7½ months, as required by section 195.420(b). DCOR's records for calendar year 2023 are complete.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.404(c)(3) by failing to maintain a record of each inspection and test required by Subpart F for at least 2 years or until the next inspection or test is performed, whichever is longer.

Item 4: The Notice alleged that Respondent violated 49 CFR § 195.410(c), which states:

§ 195.410 Line markers.

(a)...

(c) Each operator shall provide line marking at locations where the line is above ground in areas that are accessible to the public.

The Notice alleged that Respondent violated 49 CFR § 195.410(c) by failing to provide line marking at all locations where the line is above ground in areas that are accessible to the public. Specifically, the Notice alleged that DCOR had a test station and casing vent in a publicly accessible area that did not have a line marker.

In its Response, DCOR did not contest Item 4. DCOR stated that it is verifying all pipeline marker locations for compliance with section 195.410. DCOR did not provide any records related to Item 4.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.410(c) by failing to provide line marking at all locations where the line is above ground in areas that are accessible to the public.

Item 5: The Notice alleged that Respondent violated 49 CFR § 195.440(i), which states:

§ 195.440 Public Awareness.

(a)...

(i) The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.

The Notice alleged that Respondent violated 49 CFR § 195.440(i) by failing to make its public awareness program documentation and evaluation results available for review by PHMSA.

Specifically, the Notice alleged that at the time of the PHMSA inspection, DCOR was unable to provide any records demonstrating it had completed an annual review of its public awareness program as required by API RP 1162 section 8.3 (incorporated by reference, *see* section 195.3).

In its Response, DCOR contested Item 5. DCOR stated that the public awareness program has been evaluated as required. Additionally, DCOR provided records of its public awareness program and yearly reports on the effectiveness of the program for calendar years 2020, 2021, 2022, and 2023 as Attachment 4(a) to the Response.

In a recommendation for final action submitted pursuant to section 190.209(b)(7), the Director recommended withdrawing the alleged violation of section 195.440(i). Accordingly, based upon the foregoing, I hereby order that Item 5 be withdrawn.

Item 6: The Notice alleged that Respondent violated 49 CFR § 195.452(l)(1)(ii), which states:

§ 195.452 Pipeline integrity management in high consequence areas.

(a) ...

(1) *What records must an operator keep to demonstrate compliance?*

(1) An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At a minimum, an operator must maintain the following records for review during an inspection:

(i) ...

(ii) Documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section.

The Notice alleged that Respondent violated 49 CFR § 195.452(l)(1)(ii) by failing to maintain documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program listed in section 195.452(f). Specifically, the Notice alleged two instances of this violation:

(a) DCOR failed to provide records to demonstrate the implementation of a means to detect leaks on its pipeline system as required by sections 195.452(f)(6) and 195.452(i)(3); and

(b) DCOR failed to provide records to demonstrate the methods used to measure the integrity management program's effectiveness as required by sections 195.452(f)(7) and 195.452(k).

In its Response, DCOR contested Item 6. With respect to Item 6(a), in its Response, DCOR stated that during the inspection at the Rincon facility, inspectors reviewed and discussed the CPM leak detection system installed on the line. DCOR explained that the system consists of the EFA LeakNet CPM leak detection system and contended that it included with its Response a picture of the EFA LDS located on the console at the Rincon facility, as Attachment 5(a).

After reviewing the additional materials provided with DCOR's Response, I find the evidence in the record supports finding that DCOR did not comply with section 195.452(l)(1)(ii). In particular, while DCOR asserted that it had installed an EFA LeakNet CPM leak detection system on its pipeline to detect leaks and stated that it included documentation regarding this system as Attachment 5(a), upon review, these documents were not included in the Response. Without any records to demonstrate the implementation of a means to detect leaks on its pipeline, PHMSA finds DCOR in violation of section 195.452(l)(1)(ii) as alleged.

With respect to Item 6(b), in its Response, DCOR did not refute that it had not formally recorded a review of the integrity management program (IMP) effectiveness. DCOR explained that it had recently implemented an IMP review process, but that no records existed for prior years. DCOR stated it submitted with its Response a copy of the completed annual Program Review form.

Since DCOR did not refute the allegation of violation in Item 6(b), PHMSA finds DCOR in violation of section 195.452(l)(1)(ii) as alleged. PHMSA notes further that while DCOR stated it included a copy of a newly completed Program Review form, upon review, the referenced form was not provided in the Response.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.452(l)(1)(ii) by failing to maintain documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program listed in section 195.452(f).

Item 7: The Notice alleged that Respondent violated 49 CFR § 195.575(a), which states:

§ 195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?

(a) You must electrically isolate each buried or submerged pipeline from other metallic structures, unless you electrically interconnect and cathodically protect the pipeline and the other structures as a single unit.

The Notice alleged that Respondent violated 49 CFR § 195.575(a) by failing to electrically isolate each buried or submerged pipeline from other metallic structures as required. Specifically, the Notice alleged that PHMSA observed that the isolation installed between the pipeline and the Rincon facility piping was not functioning properly, resulting in a resistive short.

In its Response, DCOR contested Item 7. DCOR explained that during the field inspection, the PHMSA inspector asked DCOR to verify the isolation of the pipeline-to-facility isolation flange. DCOR stated that its contractor, Far West Corrosion, used a multimeter to conduct a preliminary on-site evaluation of the isolation. According to DCOR, the multimeter indicated that there was potential current flow across the flange, though the direction and current could not be obtained without the use of Far West's Radio Frequency Insulation Tester. DCOR included with its Response copies of the annual cathodic protection (CP) surveys.

After reviewing the additional materials provided with DCOR's Response, I find the evidence in the record supports finding a violation as alleged. While records from Farwest Corrosion Control Company reflect that there was no problem with the cathodic protection current isolation between the offshore side and the facility side during CP surveys performed in 2020 – 2023 prior to the PHMSA inspection in August 2023, PHMSA observed a resistive short during the inspection. Respondent acknowledged there was potential current flow across the flange observed at that time. DCOR did not provide any records dated after the issue was observed to show DCOR has remediated the issue.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.575(a) by failing to electrically isolate each buried or submerged pipeline from other metallic structures as required.

Item 8: The Notice alleged that Respondent violated 49 CFR § 195.589(c), which states:

§ 195.589 What corrosion control information do I have to maintain?

(a)...

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§ 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

The Notice alleged that Respondent violated 49 CFR § 195.589(c) by failing to maintain a record of each inspection required by Subpart H of Part 195 in sufficient detail to demonstrate the adequacy of corrosion control measures. Specifically, the Notice alleged that DCOR was unable to provide a copy of the atmospheric corrosion inspection records for the portion of the pipeline on Platform A.³

In its Response, DCOR contested Item 8. DCOR stated the required atmospheric corrosion records were located on the platform and available, but the PHMSA inspector was unable to travel to the platform. DCOR stated that it included as Attachment 7(a) documentation regarding this Item.

After reviewing the additional materials provided with DCOR's Response, I find the evidence supports finding DCOR failed to comply with section 195.589(c). While DCOR stated it had the required records and submitted them in the Response, upon review, the records were not provided by DCOR. Without records of each inspection required, which DCOR is required to maintain, PHMSA finds DCOR in violation of section 195.589(c) as alleged.

³ Section 195.583 requires the inspection of each pipeline or portion of pipeline exposed to the atmosphere for evidence of atmospheric corrosion.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.589(c) by failing to maintain a record of each inspection required by Subpart H in sufficient detail to demonstrate the adequacy of corrosion control measures.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1, 2, 3, 4, 5, 6, 7, and 8 in the Notice for violations of 49 CFR §§ 195.403(b)(1), 195.404(b), 195.404(c)(3), 195.410(c), 195.440(i), 195.452(l)(1)(ii), 195.575(a), and 195.589(c), respectively. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. As discussed above, **Item 5** has been withdrawn. Therefore, the compliance terms proposed in the Notice for that Item are not included in this Order.

With regard to the violation of section 195.404(c)(3) (**Item 3**), the Director has indicated that DCOR satisfied the proposed compliance terms associated with Item 3. Therefore, Item 3 is not included in this Compliance Order.

Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 CFR § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of section 195.403(b)(1) (**Item 1**), Respondent must conduct and document a review of the emergency response training program within 90 days of receipt of the Final Order and submit this documentation to the Director, Western Region.
2. With respect to the violation of section 195.404(b) (**Item 2**), Respondent must provide the daily operating records for the last three years as required by section 195.404(b) within 90 days of receipt of the Final Order and submit this documentation to the Director, Western Region.
3. With respect to the violation of section 195.410(c) (**Item 4**), Respondent must place a line marker at the test station and casing vent across the street from the Rincon facility within 90 days of receipt of the Final Order and submit documentation of this to the Director, Western Region.
4. With respect to the violation of section 195.452(l)(1)(ii) (**Item 6**), Respondent must document the methods used to demonstrate the integrity management program's effectiveness as required by section 195.452(f)(7) within 90 days of receipt of the Final Order and submit this documentation to the Director, Western Region.
5. With respect to the violation of section 195.575(a) (**Item 7**), Respondent must

ensure that the pipeline receiver and the facility pipe at Rincon are electrically isolated within 90 days of receipt of the Final Order and submit documentation of this to the Director, Western Region.

6. With respect to the violation of section 195.589(c) (**Item 8**), Respondent must conduct an atmospheric corrosion inspection of the portion of the pipeline located on Platform A within 90 days of receipt of the Final Order and submit this documentation to the Director, Western Region.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

PHMSA requests that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. It is requested that these costs be reported in two categories: (1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and (2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

Failure to comply with this Order may result in the administrative assessment of civil penalties exceeding \$200,000, as adjusted for inflation (*see* 49 CFR § 190.223 for adjusted amounts), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 CFR § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 CFR § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon service in accordance with 49 CFR § 190.5.

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Date Issued