



March 21, 2024

Mr. Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave. Suite 110
Lakewood, CO 80228

**Re: Response to Findings PHMSA Notice Of Probable Violation and Proposed
Compliance Order
CPF 5-2024-011-NOPV**

Dear Mr. Hubbard:

From August 1 through August 3, 2023, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) conducted an on-site pipeline safety inspection of the Platform A to Rincon crude oil pipeline in Ventura, California.

As a result of the inspection, PHMSA issued a Notice Of Probable Violation and Proposed Compliance Order dated February 23, 2024, addressing eight (8) probable violations of the pipeline safety regulations in 49 C.F.R. Part 195. With respect to items 1 to 8, PHMSA proposed to issue a Compliance Order (PCO) to DCOR LLC, which was enclosed and made a part of the Notice.

DCOR is proud of our pipeline safety program and has committed significant resources to proactively managing our pipeline assets, is working diligently to resolve the findings, and has provided additional data and information in response to the Compliance Order. DCOR also understands that improvements and enhancements are integral to the success of our programs. Such PHMSA inspections provide a valuable opportunity for such improvements.

The purpose of this letter and attached Response to Findings is to provide a formal response to the Proposed Compliance Order and provide additional clarifying information for each of the eight items. It is always DCOR's intent to comply with all PHMSA and other regulatory requirements, as well as to address any known findings/deficiencies when identified by PHMSA. It is our full intention that the actions taken to correct the violations will address PHMSA's concerns.



Please contact Dave Willis at (435) 549-7031, or at dwillis@dcorllc.com if there are any questions or comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Scott Knight", with a stylized flourish at the end.

Scott Knight
Operations Manager
DCOR, LLC

ATTACHMENTS

- 1 (a) – Emergency Response Training records**
- 2 (a) – pressure tend data**
- 3 (a) - PSV records**
- 4 (a) – Public Awareness Program records**
- 5 (a) – LDS**
- 6 (a) – CP surveys**
- 7 (a) – Atmospheric Corrosion inspections**



ATTACHMENT 1 - RESPONSE TO FINDINGS

1) § 195.403 Emergency response training.

DCOR failed 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, as required by § 195.403(b)(1). At the time of PHMSA's inspection, DCOR was unable to produce any records that demonstrated that the reviews had taken place.

Therefore, DCOR failed to review with personnel their performance in meeting the objectives of its emergency response training program as required pursuant to § 195.403(b)(1).

DCOR Response: In addition to DCOR's routine OQ training program, DCOR provides emergency response training covering the following topics:

- Fire extinguisher training
- H₂S
- HAZWOPR
- Explosive and hazardous chemicals
- AOCs
- Hazard Communication

DCOR is also in the process of building additional pipeline-specific emergency response training to include in the PetroSkills OQ program. Please see attachment 1(a)

2) § 195.404 Maps and records.

DCOR failed to maintain daily operating records that indicate the discharge pressure at each pump station and any abnormal operation to which the procedures under § 195.402(d) apply for at least 3 years. At the time of the PHMSA inspection, DCOR was unable to provide any daily operating records.

Therefore, DCOR failed to maintain daily operating records for at least three years as required pursuant to § 195.404(b)(1) and (2).

DCOR Response: DCOR monitors pipeline pressures through SCADA and the LDS. Pipeline pressures were observed at the onshore receiving facility (Rincon) by inspectors. Please see attachment 2(a)

DCOR maintained records of any abnormal operating conditions (AOCs) in the Operator's daily log book. This was discussed with the inspectors at the time. However, this process did not provide a way to effectively review past AOCs. DCOR is in the process of implementing a dedicate AOC reporting form for use by all operators.



3) § 195.404 Maps and records.

DCOR failed 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, as required by § 195.404(c)(3). At the time of the PHMSA inspection, DCOR was unable to provide any records demonstrating that PSV ROSF-117 had been inspected at least twice each calendar year, but at intervals not exceeding 7 ½ months as required by § 195.420(b).

Therefore, DCOR failed to maintain the inspection and test records required by Subpart F for at least 2 years or until the next inspection or test, whichever is longer, as required by § 195.404(c)(3).

DCOR Response:

During the inspection, DCOR did not have access to the PSV records readily available during the inspection. Those records have since been located. ICS had performed all PSV testing, and was able to provide copies of the attached. Dave to contact ICS to get copies of the PSV testing reports. Please see attachment 3(a)

4) § 195.410 Line markers.

DCOR failed to provide line marking at all locations where the line is above ground in areas that are accessible to the public. While onsite, PHMSA observed a test station and casing vent in a publicly accessible area that did not have a line marker.

Therefore, DCOR failed to provide line markings at all locations where the above ground line is accessible to the public as required by § 195.410(c).

DCOR Response:

DCOR does not refute that there was a missing pipeline marker along the railroad tracks immediately south of the Rincon facility. DCOR is in the process of verifying all pipeline marker location to ensure compliance with § 195.410

5) § 195.440 Public awareness.

DCOR failed to make its public awareness program documentation and evaluation results available for review by PHMSA as required. § 195.440(c) requires pipeline operators to follow the recommendations of API RP 1162, unless the operator provides justification in its public awareness program or procedures as to why the recommendation is not practicable or necessary for safety. 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.



Therefore, DCOR failed to make its public awareness documentation and evaluation results available for review to PHMSA as required pursuant to § 195.440(i).

DCOR Response:

During the inspection DCOR reviewed all PA records using Paradigm's on-line records portal. Attached are the records of the annual review. Attachment 4(a)

6) § 195.452 Pipeline integrity management in high consequence areas.

DCOR failed 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 §195.452(f) on the following occasions.

Therefore, DCOR failed to keep records in accordance with § 195.452(l)(1)(ii) as required.

(1) At the time of the PHMSA inspection, DCOR was unable to provide records to demonstrate the implementation of a means to detect leaks on its pipeline system as required by §195.452(i)(3)2 .

DCOR Response:

During the inspection on site at the DCOR Rincon facility the inspectors reviewed and discussed the CPM leak detection system installed on the line. that system consists of EFA LeakNet CPM leak detection system. Attached is a picture of the EFA LDS located on the console the Rincon Facility. See attachment 5(a)

(2) At the time of the PHMSA inspection, DCOR was unable to provide records to demonstrate the methods used to measure the integrity management program's effectiveness, as required by §195.452(f)(7).

DCOR Response:

DCOR does not refute that they had not formally recorded a review of the IMP program effectiveness. DCOR had recently implemented an IMP program review process, however there were no records for the prior years. Attached a copy of the completed annual Program Review form.



7) § 195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?

DCOR failed to electrically isolate each buried or submerged pipeline from other metallic structures as required. During the inspection, PHMSA observed that the isolation installed between the pipeline and the Rincon facility piping was not functioning properly, resulting in a resistive short.

Therefore, DCOR failed to electrically isolate its buried pipeline from the metallic structure at the Rincon facility as required pursuant to § 195.575(a).

DCOR Response:

During the field inspection, the PHMSA inspector asked for DCOR to verify the isolation of the pipeline-to-facility isolation flange. DCOR's contractor, Far West Corrosion, used a multimeter to perform a preliminary on-site evaluation of the isolation. 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 their Radio Frequency Insulation Tester.

Attached are the annual CP surveys

8) § 195.589 What corrosion control information do I have to maintain?

DCOR failed to maintain a record of each inspection required by subpart H in sufficient detail to demonstrate the adequacy of corrosion control measures. At the time of the PHMSA inspection, DCOR was unable to provide a copy of the atmospheric corrosion inspection records for the portion of the pipeline on Platform A as required by § 195.583(a).

Therefore, DCOR failed to maintain records in accordance with § 195.589(c).

DCOR Response:

The atmospheric inspection records are maintained on the A Platform. During the inspection, the PHMSA inspector was unable to travel to the platform. At the time of the inspection DCOR mentioned that the platform records had been previously reviewed by PHMSA during the July 25, 2023 inspection of the gas system.

Attached are the records of the atmospheric inspection performed on the Platform A piping.