



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

1200 New Jersey Avenue, SE
Washington, DC 20590

October 14, 2025

VIA ELECTRONIC MAIL TO: Michael.Matlock@twineagle.com

Michael Matlock
Vice President of Compliance
Twin Eagle Midstream Assets, LLC
1700 City Plaza Drive, Suite 500
Spring, TX 77002

Re: CPF No. 5-2025-006-NOPV

Dear Mr. Matlock:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation, assesses a civil penalty of \$62,900, and specifies actions that need to be taken to comply with the pipeline safety regulations. When the civil penalty has been paid and the terms of the compliance order are 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 GAIL
DAUGHERTY**
Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2025.10.02
13:57:48 -04'00'

Enclosures (Final Order and NOPV)

cc: Dustin Hubbard, Director, Western Region, Office of Pipeline Safety, PHMSA
Robert Littlepage, Director, EHS & Compliance, Twin Eagle Terminals & Logistics
LLC, Robert.Littlepage@teterminals.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of

Twin Eagle Midstream Assets, LLC,

Respondent.

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CPF No. 5-2025-006-NOPV

FINAL ORDER

On July 30, 2025, pursuant to 49 CFR § 190.207, the Director, Western Region, Office of Pipeline Safety (OPS), issued a Notice of Probable Violation (Notice) to Twin Eagle Midstream Assets, LLC (Respondent). The Notice proposed finding that Respondent had violated the pipeline safety regulations in 49 CFR Part 194 and proposed a civil penalty of \$ 62,900. Effective May 20, 2025, PHMSA revised its proposed civil penalty calculation policy to use the version of the Civil Penalty Worksheet in effect when the alleged violation occurred. The new policy did not change the proposed civil penalty in this case. The Notice also proposed certain measures to correct the violations. Respondent did not contest the allegations of violation, corrective measures, or proposed civil penalty.

Based upon a review of all of the evidence, pursuant to § 190.213, I find Respondent violated the pipeline safety regulations listed below, as more fully described in the enclosed Notice, which is incorporated by reference:

49 CFR § 194.7 (**Item 1**) — Respondent failed to provide records demonstrating that its onshore pipeline facilities were operated in accordance with the applicable response plan.

This finding of violation will be considered as a prior offense in any subsequent enforcement action taken against Respondent. In accordance with 49 CFR § 190.223, I assess Respondent a total civil penalty of **\$62,900**.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 CFR § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169.

The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the \$62,900 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 CFR § 901.9 and 49 CFR § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

Compliance Actions

Pursuant to 49 U.S.C. § 60118(b) and 49 CFR § 190.217, Respondent is ordered to take the actions proposed in the enclosed Notice to correct the violation. 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. Upon completion of the ordered actions, Respondent may request that the Director close the case. Failure to comply with this Order may result in the assessment of civil penalties under 49 CFR § 190.223 or in referral to the Attorney General for appropriate relief in a district court of the United States.

The terms and conditions of this order are effective upon service in accordance with 49 CFR § 190.5.

LINDA GAIL
DAUGHERTY

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2025.10.02
13:58:13 -04'00'

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

October 14, 2025

Date Issued



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

12300 W. Dakota Ave., Suite 340
Lakewood, CO 80228

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

VIA ELECTRONIC MAIL TO: Michael.Matlock@twineagle.com

July 30, 2025

Mr. Michael Matlock
Vice President of Compliance
Twin Eagle Midstream Assets, LLC
1700 City Plaza Drive, Suite 500
Spring, TX 77002

CPF 5-2025-006-NOPV

Dear Mr. Matlock:

From April 15 to April 16, 2024, 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 Twin Eagle Midstream Assets LLCs (Twin Eagle Midstream or Midstream) Powder River Basin Connector Hazardous Liquid (HL) facilities in Douglas, Wyoming.

As a result of the inspection, it is alleged that Twin Eagle Midstream has probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The probable violation is as follows:

1. **§ 194.7 Operating restrictions and interim operating authorization.**
 - (a)
 - (b) **An operator must operate its onshore pipeline facilities in accordance with the applicable response plan.**

Twin Eagle Midstream failed to provide records demonstrating the onshore pipeline facilities were operated in accordance with the applicable response plan. Specifically, Twin Eagle Midstream failed to demonstrate compliance in three areas of their response plan.

First, Twin Eagle Midstream failed to provide records to demonstrate compliance with the drill program outlined in its Integrated Contingency Plan (ICP) for calendar years 2020 through April 2024. Twin Eagle Midstream's ICP (prepared November 2015 and revised October 2023) requires conducting multiple drills¹ including annual Oil Pollution Act (OPA) table-top drills, annual Oil Spill Response Organization (OSRO) equipment deployment drills, semi-annual operator owned equipment deployment drills, quarterly Qualified Individual (QI) notifications, and an annual unannounced exercise. Twin Eagle Midstream's ICP, Section 18.1, states it will conduct exercises in compliance with the National Preparedness for Response Exercise Program (PREP) Guidelines.²

During the inspection, Twin Eagle Midstream could not produce documentation demonstrating an annual spill management tabletop exercise drill had been conducted for the calendar year of 2023. Previously, the operator was issued a warning letter in 2023 because it failed to conduct an annual spill management tabletop exercise in 2021.³ In addition, Twin Eagle Midstream could not produce records to demonstrate an annual unannounced exercise was conducted in 2023.

Twin Eagle Midstream failed to conduct quarterly Qualified Individuals (QI) drills in from the first quarter of 2020, through the first quarter of 2024, as required by PREP Guidelines and Section 18.1 of the ICP. During inspection, Twin Eagle Midstream staff were not able to articulate the requirements of Midstream's ICP and were unaware of the term "QI" despite staff members being listed as Qualified Individuals in the ICP.⁴

In addition, Twin Eagle Midstream failed to conduct a semi-annual equipment deployment exercise since 2020 as required by its ICP. During the inspection, Twin Eagle Midstream staff indicated Midstream maintains spill response equipment onsite at its Douglas, Wyoming facility. Twin Eagle Midstream also maintains a contract with an Oil Spill Response Organization (OSRO). During inspection, Twin Eagle Midstream was unable to provide records to demonstrate semi-annual equipment deployment exercises had been performed from calendar years 2020 through 2023, nor could it produce records to demonstrate annual equipment deployment exercises by their contracted OSRO for the same years, as required by Section 18.1 of Midstream's ICP and the PREP guidelines.

Therefore, Twin Eagle Midstream failed to comply with § 194.7(b) by not performing annual spill management tabletop exercises, quarterly QI notifications, semi-annual equipment deployment exercises, annual OSRO equipment deployment exercises, and annual unannounced

¹ See ICP, Section 18 – Drills.

² See 49 C.F.R. § 194.107(c)(1)(ix) (requiring operators to include a drill program within their response plan that follows the National Preparedness for Response Exercise Program (PREP) or equivalent guidelines).

³ See CPF 5-2023-007 WL.

⁴ Littlepage, Robert. "Re: 2022 ER Drill Report" Received by Diana Fehling, 10 June 2024.

exercises as required by its Integrated Contingency Plan and National Preparedness for Response Exercise Program (PREP) guidelines.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not 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.

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 \$ 62,900 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 62,900

Proposed Compliance Order

With respect to item number 1 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Twin Eagle Midstream. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 5-2025-006-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

DUSTIN B HUBBARD Digitally signed by DUSTIN B HUBBARD
Date: 2025.07.30 13:11:22 -06'00'

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

cc: PHP-60 Compliance Registry
PHP-500 D. Fehling (#24-296481)
Jason Hulin, Twin Eagle Midstream Assets, LLC, Jason.Hulin@crestwoodlp.com

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Twin Eagle Midstream a Compliance Order incorporating the following remedial requirements to ensure the compliance of Twin Eagle Midstream with the pipeline safety regulations:

- A. In regard to Item Number 1 of the Notice pertaining to failure to conduct drills, notifications, and exercises, Twin Eagle Midstream must conduct all drills, notifications, and exercises as required by their response plan and which follows the National Preparedness for Response Exercise Program (PREP) within **90** days of receipt of the Final Order.
- B. In regard to Item Number 1 of the Notice pertaining to failure to conduct drills, notifications, and exercises, Twin Eagle Midstream must conduct training to staff which provides instruction and responsibilities in Twin Eagles Midstream's Facility Response Plan (FRP) and following the National Preparedness for Response Exercise Program (PREP) guidelines. The training must be comprehensive to ensure Twin Eagle staff are effectively trained within **90** days of receipt of the Final Order. Twin Eagle must submit evidence that the training has been completed to the Director, within 30 days of the training.
- C. It is requested (not mandated) that Twin Eagle Midstream maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. 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.