



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

1200 New Jersey Avenue, SE
Washington, DC 20590

March 26, 2026

VIA ELECTRONIC MAIL TO: cstroz@chevron.com

Mr. Christopher Stroz
Senior HSE Manager
Chevron Pipeline Company
1400 Smith Street
Houston, Texas 77002

CPF No. 5-2025-014-NOPV

Dear Mr. Stroz:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Chevron Pipeline Company, which was executed on March 24, 2026. This matter is now closed. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission and acknowledgement of receipt, or as otherwise provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure: Consent Order and Consent Agreement

cc: Dustin Hubbard, Director, Western Region, Office of Pipeline Safety, PHMSA
James Curry, Esq., Babst Calland
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Lee Banse, Esq., Babst Calland
LBanse@babstcalland.com
Johnnie Randolph, Esq., Chevron Pipeline Company
johnnierandolph@chevron.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	)	
	)	
Chevron Pipeline Company,	)	CPF No. 5-2025-014-NOPV
	)	
Respondent.	)	
	)	

CONSENT ORDER

By letter dated May 2, 2025, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Notice of Probable Violation and Proposed Compliance Order (Notice) to Chevron Pipeline Company (Chevron or Respondent).

In response to the Notice, Respondent requested a hearing on the underlying violation and the proposed compliance order (Response). Chevron also asked for the opportunity to meet informally with PHMSA to discuss the Items in the Notice. Respondent and PHMSA (the Parties) subsequently met to discuss the issues raised in the Response. As a result of those discussions, as explained in more detail below, the Parties have agreed to a Consent Agreement by which PHMSA agrees to make the alleged violation a warning.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Consent Order and this matter is now closed.

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

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Date Issued

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

	)	
In the Matter of	)	
	)	
Chevron Pipeline Company,	)	CPF No. 5-2025-014-NOPV
	)	
Respondent.	)	
	)	

CONSENT AGREEMENT

From July 8 to July 26, 2024, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of Title 49 United States Code (U.S.C.), conducted an on-site inspection of Chevron Pipeline Company’s (Chevron or Respondent) SJ Valley Gas System in Bakersfield, California.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated May 2, 2025, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 CFR § 190.207, the Notice proposed finding that Chevron committed a violation of 49 CFR § 192.465(d) (Item 2), and proposed ordering Respondent to take certain measures to correct the alleged violation. The other probable violations (Items 1 and 3) were brought as warnings, advising the operator to correct the probable violations or face potential future enforcement action.

Chevron responded to the Notice by letter dated July 2, 2025 (Response). The Respondent contested the underlying violation for Item 2 and the proposed compliance order.

PHMSA and Respondent (the Parties) subsequently met to discuss the issues raised in the Response. As a result of those discussions and as explained in more detail below the Parties have agreed to a Consent Agreement by which PHMSA agrees to make Item 2 a warning.

Having agreed that settlement of this proceeding will avoid further administrative proceedings or litigation and will serve the public interest by promoting safety and protection of the environment, pursuant to 49 U.S.C. § 60101, *et seq.* and 49 CFR Part 190, and upon consent and agreement, the Parties hereby agree as follows:

I. General Provisions

1. Respondent acknowledges that as the operator of the pipeline facilities subject to the Notice, Respondent and its referenced pipeline facilities are subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Consent Agreement (Agreement), Respondent acknowledges that it received proper notice of PHMSA's action in this proceeding and that the Notice states claims upon which relief may be granted pursuant to 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder.

2. After Respondent returns this signed Agreement to PHMSA, the Agency's representative will present it to the Associate Administrator for Pipeline Safety, recommending that the Associate Administrator adopt the terms of this Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of this Agreement.

3. Respondent consents to the issuance of the Consent Order, and hereby waives any further procedural requirements with respect to its issuance. Respondent waives all rights to contest the adequacy of notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except for the Dispute Resolution provisions set forth herein. Respondent agrees to withdraw its request for an administrative hearing regarding the Notice.

4. This Agreement shall apply to and be binding upon PHMSA and Respondent, its officers, directors, and employees, and its successors, assigns, or other entities or persons otherwise bound by law. Respondent agrees to provide a copy of this Agreement and any incorporated work plans and schedules to all of Respondent's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

5. This Agreement constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice.

6. Nothing in this Agreement affects or relieves Respondent of its responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against Respondent pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law.

7. For all transfers of ownership or operating responsibility of Respondent's pipeline system referenced herein, Respondent will provide a copy of this Agreement to the prospective

transferee at least 30 days prior to such transfer. Respondent will provide written notice of the transfer to the Director no later than 60 days after the transfer occurs.

8. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Respondent's pipeline systems. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Respondent remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

9. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondent or its officers, employees, or agents carrying out the work required by this Agreement. Respondent agrees to hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondent or its contractors in carrying out any work required by this Agreement.

10. Except as set forth herein, this Agreement does not constitute a finding of violation of any other federal law or regulation and may not be used in any civil proceeding of any kind as evidence or proof of any fact, fault or liability, or as evidence of a violation of any law, rule, regulation, or requirement, except in a proceeding to enforce the provisions of this Agreement or in future PHMSA enforcement actions.

II. Warning Items:

11. ***Item 1 - 49 CFR § 192.14(a):*** The Notice alleged Chevron failed to prepare and follow a written procedure for conversion to service, as required by § 192.14(a), on its 8-inch Mojave Spur steel pipeline located within Chevron's Kern River production field. This Item was brought as a warning Item and does not constitute a finding of violation. Respondent accepts the warning as alleged in the Notice.

12. ***Item 2 - 49 CFR § 195.404(a)(3):*** The Notice alleged Chevron failed to correct the deficiencies indicated by the inspection and testing of the cathodic protection system, as required by § 192.465(d). Specifically, the Notice alleged that a review of Chevron's annual cathodic protection surveys for the Cross Valley East pipeline segment for the calendar years of 2019 through 2023 indicated several test locations on the line exhibited pipe to soil readings with excessive potentials. The Parties met to discuss this allegation and Chevron provided additional information. After discussion between the Parties, based on the information provided, PHMSA agrees to make this Item a warning, and withdraws the proposed compliance terms. This Item does not constitute a finding of violation. Respondent accepts the warning.

13. ***Item 3 - 49 CFR § 195.615(b)(3):*** The Notice alleged Chevron failed to review employee activities to determine whether the procedures were effectively followed in each emergency. This Item was brought as a warning Item and does not constitute a finding of violation. Respondent accepts the warning as alleged in the Notice.

14. For Warning Items 1, 2 and 3, if OPS finds a violation of these provisions in a subsequent inspection, Respondent may be subject to future enforcement action.

III. Modification:

15. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by both parties.

IV. Ratification:

16. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

17. The Parties hereby agree to all findings, conditions, and terms of this Agreement.

[Signature Lines on Following Page]

For Chevron Pipeline Company:

Date

For PHMSA:

Director, Western Region, Office of Pipeline Safety

Date