



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Montana State Office
222 North 32nd Street
P.O. Box 36800
Billings, Montana 59107-6800

IN REPLY REFER TO:
CA MC30009
SDR-922-92-04
3165.3 (922.1)

September 11,

P 14 728 569

CERTIFIED-RETURN RECEIPT REQUESTED

Decision

Morris I. Waller)
Enterprise Energy, Inc.) SDR No. 922-92-04
P.O. Box 208)
Huntsville, Texas 77342-0208)

VIOLATION REVERSED - ASSESSMENT DISMISSED

Enterprise Energy, Inc. (Enterprise) requested a State Director Review (SDR) (Enclosure 1) of two incidents of noncompliance (INCs) issued by the Miles City District Office (MCDO) on July 29, 1992, and August 12, 1992 (Enclosure 2). The request for this SDR was dated August 24, 1992, and was timely received on August 28, 1992.

The July 29, 1992, INC required Enterprise to either effectively seal or remove a 2-inch bleeder at the recycle pump. The INC also stated that the corrective action must be completed within 48 hours upon receipt of the INC. The INC was received by Enterprise on August 4, 1992. A followup inspection conducted by the MCDO on August 10, 1992, revealed that the bleeder remained ineffectively sealed and in place. On August 12, 1992, the MCDO issued another INC to Enterprise for failure on Enterprise's part to comply with a written order of the authorized officer (AO) as stated on the first INC issued by the MCDO on July 29, 1992. The August 12, 1992, INC also required Enterprise to take corrective action, as specified on the July 29, 1992, INC, within 20 days upon receipt of the August 20, 1992, INC.

Enterprise stated in its SDR request that the valve was sealed by its field supervisor on the same date Enterprise received the faxed copy of the INC from its Huntsville office. Furthermore, Enterprise stated that the recycle pump is used weekly to recirculate the tanks and the bleeder valve must be opened to prime the pump, and one of the pumpers failed to reseal it when he completed recirculating. Therefore, it appeared that Enterprise had not complied with the July 29, 1992, INC.

Photographs taken by the inspector show that the seal was placed on the 2-inch fitting preceding the valve, thus indicating that the valve never was sealed. Enterprise's argument that the seal was installed and subsequently cut is not valid, due to the fact that the seal did not have to be broken to operate the valve.

Enterprise also argues that the INC required the effective sealing of a 2-inch bleeder valve at the recycle pump. The actual size of the valve was ½ inch on a 2-inch line. Onshore Order No. 3 (OO#3), Site Security, Section III. A. 1. c, states, "Additionally, valves or combination of valves and tankage that provide access to the production prior to measurement for sales or lease use purposes are considered appropriate valves and are subject to seal requirements of this Order." Therefore, the size of the valve is not at issue, it is the fact that the valve was ineffectively sealed.

In reviewing the site facility diagram (SFD), Enterprise indicated that the valves on the recycle pump are appropriate and stated that they would be sealed closed during the production and sales phases. However, the photographs taken by the inspector revealed that the seal was broken on the fitting preceding the valve. The PET also indicated in the INC remarks section that the seal that was in place was broken, indicating that it needed to be replaced. Although the INC stated that the 2-inch bleeder needed to be sealed or removed, it was not clear whether the fitting or the valve required the seal. In discussions with the MCDO, it was their intent to have the fitting sealed and not the valve. The OO#3 only addresses the sealing of appropriate valves, not fittings. Therefore, the MCDO should have required the sealing of the ½-inch valve and not the fitting.

It is our finding that the original INC of July 29, 1992, was not issued properly due to the reasons discussed above. The operator should have been instructed to seal the ½-inch valve, as required by the OO#3.

The second INC, with an assessment, was properly issued to Enterprise for failure to comply with the first INC. However, the first INC was not properly issued, thus making the second INC invalid.

We, therefore, reverse the issuance of the INC that required Enterprise to effectively seal the 2-inch bleeder. The assessment for failure to comply with a written order of the AO within the specified time is also dismissed. However, the operator must take steps to effectively seal the ½-inch open-ended valves at the recycle pump as required by the OO#3, and in accordance with the operator's sealing procedures outlined on the SFD.

This Decision may be appealed to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR 4.400 and Form 1842-1 (Enclosure 3). If an appeal is taken, a Notice of Appeal must be filed in this office at the aforementioned address within 30 days from receipt of this Decision. A copy of the Notice of Appeal and of any statement of

reasons, written arguments, or briefs must be served on the Office of the Solicitor at the address shown on Form 1842-1. It is also requested that a copy of any statement of reasons, written arguments, or briefs be sent to this office. The appellant has the burden of showing that the decision appealed from is in error.

Sincerely,



Thomas P. Lonnie
Deputy State Director
Division of Mineral Resources

3 Enclosures

- 1-SDR Request dated October 17, 1991 (6 pp)
- 2-INC's from MCDO dated July 29, 1992, and August 12, 1992 (4 pp)
- 3-Form 1842-1 (1 p)