NOTICE OF VIOLATION

Via Certified Mail No. 7018 2290 0001 5349 2007 and First-Class Mail (Shell Pipeline Company, LP)
Via Certified Mail No. 7018 2290 0001 5349 2014 and First-Class Mail (Minnesota Limited)

Pamela Alley
Shell Pipeline Company, LP
WCK Building A
150 North Dairy Ashford Road
Houston, TX 77079

Chris Haux
Minnesota Limited
PO Box 410
Big Lake, MN 55309

RE: Violations of the Clean Streams Law
    Violations of the Dam Safety and Encroachments Act
    Falcon Ethane Pipeline System
    DEP Permit Nos. E02-1773 and ESG0000717003
    Greene Township
    Beaver County

Dear Ms. Alley and Mr. Haux:

On September 14, 2019, the Department of Environmental Protection ("Department") received
notice from Shell Pipeline Company, LP ("SPLC") of an inadvertent return ("IR") of drilling
fluids into Mill Creek in Beaver County associated with Horizontal Direction Drill SCIO-04
("Site"). On September 14, 2019, SPLC reported that approximately 1 gallon of drilling fluid
was released and impacted Mill Creek. The drilling fluids constitute industrial waste, and the
discharge of industrial waste to waters of the Commonwealth without a permit is a violation of
Sections 301 and 307 of the Clean Streams Law, 35 P.S. §§ 691.301 and 691.307. The
Department did not authorize any IRs at the Site by permit or other authorization.

Department-issued permits E02-1773 and ESG0000717003 ("Permits") require SPLC to follow
its 'HDD Inadvertent Return, Assessment, Preparedness, Prevention, and Response Plan',
("HDD IR PPR Plan") that is part of the approved plans in the Permits to reduce, minimize, or
eliminate a pollution event. The current version of the HDD IR PPR Plan contains a revision
date of November 30, 2018.

The unauthorized discharge of industrial waste to waters of the Commonwealth constitutes a
violation of Section 301 of the Clean Streams Law, 35 P.S. § 691.301, and constitutes unlawful
conduct under Section 611 of the Clean Streams Law, 35 P.S. § 691.611, and Section 18 of the Dam Safety and Encroachments Act, 32 P.S. § 693.18.

As you know, following the initial report for each IR, you are required to submit additional interim progress reports until the situation is fully resolved in addition to a final report upon resolution.

Please be advised that the Department and/or the Beaver County Conservation District ("BCCD") will conduct additional inspections of the Site. If future inspections reveal that required corrective actions have not been taken and/or additional violations have occurred, the Department may initiate additional enforcement action.

This letter is only intended to inform you of the existence of a violation and of the ways in which you may move into compliance with the law. It shall not be construed to waive or impair any rights of the Department, including the right to take an action in the future. Finally, this letter shall not be construed to waive either expressly or by implication, the power or authority of the Commonwealth of Pennsylvania to prosecute for any and all violations of the law arising prior to or after the issuance of this letter, or for the conditions upon which this letter is based.

This letter should not be considered as a final appealable action of the Department of Environmental Protection.

I look forward to your cooperation in this matter. If you have any questions, please contact Frank Calderon at 412-442-4318 or fcalderon@pa.gov.

Sincerely,

[Signature]

Frank Calderon
Environmental Protection Compliance Specialist
Conservation, Restoration, and Inspection Section
Waterways and Wetlands Program

cc: BCCD – via email
    Sean Larson – via email
    AECOM (Heather Brewster) – via email