

July 24, 2019

NOTICE OF VIOLATION

Via Certified Mail No. 7018 2290 0001 5349 1963 and First-Class Mail (Shell Pipeline Company, LP) Via Certified Mail No. 7018 2290 0001 5349 1956 and First-Class Mail (Minnesota Limited)

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

Chris Houx 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

Independence Township

Beaver County

Dear Ms. Alley and Mr. Houx:

On July 22, 2019, the Department of Environmental Protection ("Department") received notice from Shell Pipeline Company, LP ("SPLC") of an inadvertent return ("IR") of drilling fluids into a wetland and Raccoon Creek in Beaver County associated with Horizontal Direction Drill HOU-09 ("Site"). On July 22, 2019, SPLC reported that approximately 500 gallons of drilling fluids were released, and 30 gallons impacted wetland W-PA-151013-MRK-003 and Raccoon 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 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.

The Department is in receipt of your Restart Report, initial IR Report, and supporting documents that were submitted on July 23, 2019. The Department is currently reviewing your submission and will contact you, in writing, if additional information is needed. 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 Department approval is required before restarting drilling operations for HDD HOU-09 in accordance with the Permits and HDD IR PPR Plan.

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 Aileen Evan at 412-442-4127 or aevan@pa.gov.

Sincerely,

Aileen Evan

Environmental Group Manager

Conservation, Restoration, and Inspection Section

Waterways and Wetlands Program

cc:

BCCD - via email

Sean Larson – via email

AECOM (Heather Brewster) - via email