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DEPARTMENT OF TRANSPORTATION'S PHMSA ISSUES SECOND LARGEST CIVIL PENALTY IN AGENCY HISTORY TO DENBURY GULF COAST PIPELINE LLC FOLLOWING DISASTROUS 2020 CO₂ PIPELINE LEAK IN SATARTIA, MISSISSIPPI

The Pipeline and Hazardous Materials Safety Administration has entered into a consent order with the CO₂ Pipeline Company three years after a carbon dioxide pipeline incident sent over 40 people to the hospital. Denbury has already paid the \$2,868,100 penalty.

BELLINGHAM, Washington [April 6, 2023] – The Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) announced today that it had entered into a consent order with Denbury Gulf Coast Pipelines LLC over its 2020 carbon dioxide pipeline failure in Satartia, Miss. In 2022, PHMSA proposed a \$3,866,734 civil penalty against Denbury for non-compliance associated with the failure. This March, Denbury and PHMSA settled on a penalty of \$2,868,100, nearly \$1 million under the initial proposal.

On February 22, 2020, Denbury's 24-inch Delta Pipeline ruptured in Satartia, MS releasing 31,405 barrels of CO₂, causing the entire town to be evacuated and sending 45 people to the hospital. Residents sent to the hospital had symptoms of CO₂ poisoning and oxygen deprivation.

According to PHMSA, Denbury had several areas of non-compliance that exacerbated the failure's effects on the community of Satartia. Most critical were that Denbury did not notify local responders to advise them of the failure (nor train them how to handle one before the incident happened), address the risks of geohazards to its pipeline system, or correctly determine the areas that could be affected by a CO₂ release in its plume dispersion modeling.

PHMSA's consent order states that Denbury denied any wrongdoing when it came to establishing communication with local emergency response services. However, it has been proven that Denbury did not meet with the Tri-Community Volunteer Fire Department because they did not believe a rupture on their pipeline could affect the community of Satartia. To make matters worse, Denbury objected and denied that it didn't communicate with first responders during the incident. In reality, Denbury dispatched its own staff into the area and only came into contact with Satartia emergency officials because the local fire chief called the operator itself 42 minutes after Denbury knew the system may have failed.

"Denbury had an obligation to liaise with first responders in areas they transport hazardous materials, and they didn't follow through" Pipeline Safety Trust Communications Director Kenneth Clarkson said. "We hope that the consequences Denbury faces as a result of its failure to protect the public prevents devastating incidents like this one from occurring in the future."

In the consent order, PHMSA stated Denbury has now acknowledged that certain areas of its pipeline system, including the segment where the rupture occurred, as subject to geohazards it did not adequately prepare for.

Following periods of intense rains, which resulted in a landslide, Denbury's Delta Pipeline experienced a heavy amount of strain causing a girth weld on the pipeline to rupture. Due to this complication, PHMSA has since issued an advisory bulletin to all pipeline operators highlighting the immediate need to plan for land movement and geohazard threats to pipeline integrity.

"We need operators to spend more resources on tracking and preventing geohazards such as land movement and the threats they pose to pipelines," Clarkson said.

In addition to the paid civil penalty, Denbury must now meet compliance requirements as written in the consent order. These requirements include upgrading their geohazard program to identify and mitigate the threat of geohazards, using revised plume dispersion models to take into account newly-defined High Consequence Areas (HCAs), or "could-affect" HCAs, and identifying and communicating with all first responders and stakeholders that would be in jurisdiction to respond to a pipeline incident from a Denbury pipeline.

"The Satartia incident was truly a warning," Clarkson said. "We hope operators learn from this incident and that PHMSA's prospective CO2 regulations will ensure communities and the environment are protected from the dangers of CO₂ pipelines."

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About Pipeline Safety Trust: The Pipeline Safety Trust is a nonprofit public watchdog promoting pipeline safety through education and advocacy by increasing access to information, and by building partnerships with residents, safety advocates, government and industry, that result in safer communities and a healthier environment.