

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

July 17, 2012

Mr. Greg Smith  
President  
Shell Pipeline Company, L.P.  
Two Shell Plaza  
777 Walker Street, Room 1437  
Houston, TX 77002

**CPF 2-2012-5006M**

Dear Mr. Smith:

On June 5, 2012, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety issued a Notice of Amendment (NOA) to Shell Pipeline Company, L.P. (Shell) as a result of a PHMSA inspection from April 9-12, 2012, of the Shell Capline Pipeline system's written operations and maintenance procedures.

The PHMSA Southern Region received and reviewed your response to the NOA dated June 21, 2012. This letter is to inform you that Shell has complied with the terms of the NOA and that no further action is necessary with regards to the NOA. This case is now closed.

Please be advised that this letter refers only to the NOA (**CPF 2-2012-5006M**) and not to any other PHMSA pending cases. Also be advised that nothing herein states or implies that the above described written operations and maintenance procedures meet the requirements of the federal pipeline safety regulations or that they are approved. The Shell Capline Pipeline system remains subject to inspection by PHMSA. In future inspections, we will be looking closely at how Shell considered IR drop, other than those across the structure-to-electrolyte boundary when using the - 0.850 volt criteria, according to its amended "*Consideration of IR Drop in Structure to Soil Potential Readings*" procedures.

Sincerely,

Wayne T. Lemoi  
Director, Office of Pipeline Safety  
PHMSA Southern Region