



CAPTAIN MARK K. LANE
Senior Vice President - Operations

October 29, 2009

R.M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 South Gessner, Suite 1110
Houston, TX 77074

RE: CPF 4-2009-2003

Dear Director,

Excelerate Energy is in receipt of the Notice of Probable Violation and Proposed Compliance Order issued by the Pipeline and Hazardous Material Safety Administration (PHMSA) dated October 15, 2009, and referenced by **CPF 4-2009-2003**. Excelerate Energy shall take the steps necessary to meet the remedial requirements set forth in the Proposed Compliance Order.

In response to this Notice, Excelerate Energy is preparing a) written procedures for operating, maintaining, and repairing the pipeline system in accordance with 49 CFR Part 192, specifically § 192.605; and, b) written procedures that address covered tasks and the qualification of employees and contractors that perform those covered tasks as required by 49 CFR 192, specifically Subpart N (§§ 192.801-192.809). Excelerate shall issue monthly progress reports electronically and shall complete the Procedural Manuals within 180 days following the receipt of the Final Order.

Excelerate Energy shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and shall prepare a report for the PHMSA, Director, Southwest Region which sets out these costs into two categories a) total cost associated with preparation/revision of plans, procedures, studies and analyses, and b) total cost associated with replacements, additions, and other changes to pipeline infrastructure.

Excelerate Energy is pleased to have this opportunity to work with PHMSA in order to ensure the highest standards of operational safety for its facilities and looks forward to a continued successful relationship with PHMSA.

Best regards,

Captain Mark K. Lane
Senior Vice President - Operations