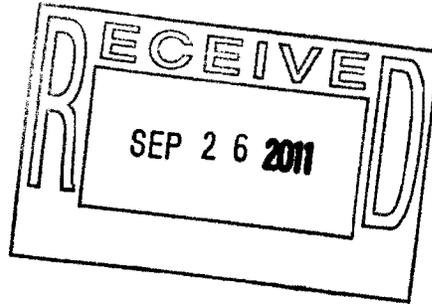


September 20, 2011

Mr. R.M. Seeley  
Director, Southwest Region  
Pipeline and Hazardous  
Materials Safety Administration

Reference: CPF 4-2011-7006M  
Dated: August 9, 2011



Dear Mr. Seely,

We have received your letter dated August 9, 2011 following an inspection on April 11-15, 2011. The inspection focused on the Operator Qualification Program at Stone Energy's headquarters located in Lafayette, Louisiana.

Your letter listed probable inadequacies of the Stone Energy's Operator Qualification plans or procedures pursuant to Title 49, Code of Federal Regulations. The following is a list of the identified inadequacies and Stone Energy's responses:

1. The Stone Energy OQ Program, section 5 Accepted Off-the-Shelf Programs, 5.1 Operator Qualification Acceptable Programs dated January 26, 2011 lists item #7 T-2 Certification. Item 7 T-2 Certification states "Stone Energy reviewed the requirements of T-2 Certification and accepts it as qualification for third-party entities to close valves on Stone Energy pipelines in the case of an emergency." Stone Energy is using the T-2 Certification for the qualification of company and contract personnel to perform covered tasks other than valve operation.

The Stone Energy OQ Program fails to indicate that T-2 Certification is acceptable for covered tasks other than to operate a valve, and fails to state that T-2 Certification is acceptable for company personnel. Stone Energy must amend the OQ Program as appropriate.

Stone Energy Response: Stone Energy has revised Section 5.1 to include additional covered tasks in accordance with the T-2 Certification program and to cover company personnel as well as contract personnel. A red-lined version of the corrected Section 5 is attached.

2. The Stone Energy OQ Program, section 2 Plan Review, page 2-1, dated January 26, 2011 states "This plan will be reviewed & evaluated for effectiveness once every year by the GOM Manager HSE (or their designee)." The OQ Program fails to require a program review once each calendar year, not to exceed a 15 month interval.

Advisory Bulletin ADB-09-03 explains that the OQ Program review is required per § 195.402 and therefore should be performed as required in the regulation. Stone Energy must amend the OQ Program as appropriate.

Stone Energy Response: Stone Energy has revised section 2 to include the statement "This plan will be reviewed and evaluated for effectiveness once each calendar year (not to exceed 15 months) in conjunction with the Operations, Maintenance & Emergency Manual Review by the GOM Manager HSE (or their designee)." A copy of the revised section is attached.

3. The Stone Energy OQ Program, section 10 Qualification Methods, page 10-1, dated January 26, 2011 states "Qualification methods will include one or more of the following for each covered task: 1) Written exam, 2) Oral exam, 3) WPH, 4) Observation during performance of on-the-job, 5) Observation during on-the-job training, 6) Simulations, 7) Other forms of assessment, & 8) Field evaluations conducted in accordance with ASME B31Q. The qualification evaluation method or combination of methods should sufficiently measure the individual's knowledge, skills and ability to perform the covered task for which he or she is being evaluated." In section 8 Covered Tasks, pages 8-4 through 8-32, the appropriate qualification evaluation methods specific to each covered task are not listed.

The Stone Energy Operator Qualification Program fails to list task specific qualification evaluation methods used to qualify an individual as required by § 195.503. Stone Energy must amend the OQ Program as appropriate.

Stone Energy Response: Stone Energy has added the appropriate evaluation method or combination of evaluation methods to each covered task listed in section 8. The revised section is attached.

Stone Energy is committed to full compliance with Federal regulations. Should specific items provided to evidence our compliance be found not sufficient, please advise so that we may remedy the issue as soon as possible.

If you have any questions or require any additional information please feel free to contact me at (337) 521-0213.

Sincerely,

*Cobb LeBouef* *LSM*

Cobb LeBouef  
Stone Energy

enclosures