

**JULY 5, 2013**

Mr. Louis Denetsosie  
Interim President and CEO  
Navajo Nation Oil & Gas Company  
50 Narbono Circle West  
St. Michaels, AZ 86511

**Re: CPF No. 4-2012-5027S**

Dear Mr. Denetsosie:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement that you signed on June 10, 2013. Service of the Consent Order and Consent Agreement by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. Rod Seeley, Director, Southwest Region, PHMSA  
Ms. Susan A. Olenchuk, Esq., Van Ness Feldman, LLP, 1050 Thomas Jefferson Street  
NW, Washington, DC 20007

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

_____	)	
<b>In the Matter of</b>	)	
	)	
<b>Navajo Nation</b>	)	<b>CPF No. 4-2012-5027S</b>
<b>Oil &amp; Gas Company,</b>	)	
	)	
<b>Respondent.</b>	)	
_____	)	

**CONSENT ORDER**

By letter dated July 23, 2012 the Pipeline and Hazardous Materials Safety Administration (PHMSA) Office of Pipeline Safety issued a Notice of Proposed Safety Order (Notice) to Navajo Nation Oil & Gas Company (Respondent) in this case.

In accordance with 49 C.F.R. § 190.239, the Notice alleged that Respondent's Running Horse Pipeline (RHP) system extending approximately 87 miles from the Montezuma Creek, Utah area crossing Southwest Colorado and terminating near Bisti, New Mexico has an apparent condition that, without corrective measures, would pose a pipeline integrity risk to public safety, property, or the environment and proposed that Respondent take certain actions to address the condition. Specifically, the Notice alleged that onsite inspections of the RHP by PHMSA in October, 2011 had identified safety inadequacies including apparent non-compliance with various safety requirements in 49 C.F.R. Part 192 and that as a result, Respondent's safety programs appear to be inadequate.

In response to the Notice, Respondent requested an informal consultation and Respondent and PHMSA engaged in good faith settlement discussions resulting in the Consent Agreement attached to this Order that settles all of the allegations in the Notice.

Accordingly, the foregoing Consent Agreement is hereby approved and incorporated by reference into this Order. The Respondent is hereby ordered to comply with terms of the Consent Agreement, effective immediately.

Pursuant to 49 U.S.C. 60101 *et seq.*, failure to comply with this Consent Order may result in the assessment of civil penalties of up to \$200,000 per violation per day, or in the referral of the case for judicial enforcement. The terms and conditions of this Consent Order are effective upon service in accordance with 49 C.F.R. § 190.5.

---

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

---

Date Issued