

WARNING LETTER

VIA UPS GROUND: 1Z WR2 588 03 9759 3196

August 10, 2011

Mr. John Zager
General Manager
Union Oil Company of California
3800 Centerpoint Drive, Suite 100
Anchorage, AK 99503

CPF 5-2011-2003W

Dear Mr. Zager:

On August 2-5, 2010, August 10-12, 2010, and September 8-9, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Union Oil Company of California's (UOCC) East Foreland Platforms facilities, Granite Point Platforms facilities, and Trading Bay Platforms facilities in the Cook Inlet area of Alaska.

As a result of the inspection, it appears that UOCC has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The probable violation is:

1. § 192.743 Pressure limiting and regulating stations: Capacity of relief devices

(a) Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in § 192.739(b), the capacity must be consistent with the pressure limits of § 192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations.

The operator failed to provide evidence that the capacity of relief devices had been determined at intervals not exceeding 15 months, but at least once each calendar year.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the violation identified in this letter. Failure to do so will result in Union Oil Company of California being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please send all documents to our office at 188 W. Northern Lights Blvd., Suite 520, Anchorage, AK 99503, and in your correspondence please refer to **CPF 5-2011-2003W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Dennis Hinnah
Deputy Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 T. Johnson (#128494, 128496, 128495)