



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

WITHDRAWAL of NOTICE LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 14, 2012

Mr. John Filiatrault
Vice President CO₂ Supply & Pipelines
Denbury Onshore, LLC
5320 Legacy Drive
Plano, Texas 75024

CPF 2-2012-5011

Dear Mr. Filiatrault:

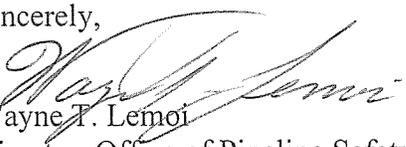
On August 9, 2012, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region issued Denbury Onshore, LLC (Denbury) a Notice of Probable Violation (NOPV) for a probable violation of the federal pipeline safety regulations in 49 CFR Part 195.

The NOPV pertained to Denbury's North East Jackson Dome (NEJD) carbon dioxide pipeline in Mississippi. It cited Denbury under §195.64(c)(1)(ii) for failing to notify PHMSA not later than 60 days before beginning construction of more than 10 miles of a new hazardous liquid pipeline. Denbury notified PHMSA on July 16, 2012 after it began construction on July 11, 2012. This notification was required no later than May 12, 2012.

In reviewing Denbury's response to the PHMSA Southern Region dated September 6, 2012, we noticed that the regulation in §195.64(c)(1)(ii) could be confusing as to its applicability to carbon dioxide pipelines because it refers to "*a new hazardous liquid pipeline*" but the definition of a "*hazardous liquid*" in §195.2 does not include carbon dioxide. Meanwhile, §195.64(c)(1)(iii) requires the reporting of the "*Construction of a new pipeline facility*" and the definition of "*pipeline facility*" in §195.2 does include new pipe used in the transportation of carbon dioxide.

That said, the PHMSA Southern Region hereby withdraws the NOPV and this case is now closed.

Sincerely,


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