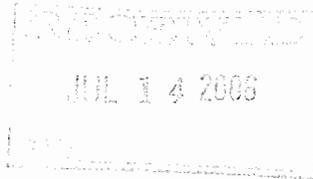




U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**



400 Seventh Street, S.W.  
Washington, D.C. 20590

JUL 10 2006

Mr. Jerry Wenzel  
Vice President  
Stone Energy Inc.  
625 East Kaliste Saloom Road  
Lafayette, LA 70508

Re: CPF No. 4-2005-5039

Dear Mr. Wenzel:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty. I acknowledge receipt of and accept your wire transfer for \$50,000 as payment in full of the civil penalty assessed in the Final Order. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds  
Pipeline Compliance Registry  
Office of Pipeline Safety

Enclosure

cc: R.M. Seeley  
Director, Southwest Region, PHP-400

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

**DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, DC 20590**

\_\_\_\_\_ )  
In the Matter of )

Stone Energy Inc., )

Respondent )  
\_\_\_\_\_ )

CPF No. 4-2005-5039

**FINAL ORDER**

On October 13, 2005, in accordance with 49 C.F.R. § 190.207, the Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration (PHMSA) Office of Pipeline Safety, issued to Respondent a Notice of Probable Violation and Proposed Civil Penalty (Notice). The Notice proposed finding that Respondent had committed violations of 49 C.F.R. Part 195 and proposed assessing a civil penalty of \$50,000 for the alleged violations. Respondent did not contest the allegations. Respondent submitted a wire transfer in the amount of the proposed civil penalty (\$50,000), waiving further right to respond and authorizing the entry of this Final Order.

Pursuant to 49 C.F.R. § 190.213 and 49 U.S.C. § 60122, I find that Respondent violated the following sections of 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. § 195.452(b)(1) -- failing to develop a written integrity management program by the February 18, 2003 deadline; and

49 C.F.R. § 195.452(b)(2) -- failing to identify segments of pipelines that could affect HCAs by the November 18, 2002 deadline.

These findings of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent. Having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$50,000, already paid by Respondent.

The terms and conditions of this Final Order are effective on receipt.

  
\_\_\_\_\_  
for Stacey Gerard  
Associate Administrator  
for Pipeline Safety

JUL 10 2006

\_\_\_\_\_  
Date Issued