

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 16, 2009

Mr. Richard Peneguy, Jr.
Noble Energy, Inc.
Vice President and General Manager, Offshore Division
100 Glenborough, Suite 100
Houston, Texas 77067

CPF 4-2009-7001W

Dear Mr. Peneguy, Jr.:

On June 24-27, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected records and procedures of your Main Pass 305 Pipeline System at your Venice, Louisiana office.

As a result of the inspection, it appears that you have committed probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violations is:

1. **§195.583 What must I do to monitor atmospheric corrosion control?**
 - (a) **You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:**

If the pipeline is located: Then the frequency of inspection is:
Onshore..... At least once every 3 calendar years, but with intervals not exceeding 39 months

**Offshore..... At least once each calendar year, but with
Intervals not exceeding 15 months**

(b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by Sec. 195.581.

Above ground valves and associated piping and much of the offshore piping exhibited very heavy coating damage and atmospheric corrosion. Corrosion will continue to attack these components and compromise the integrity of the pipeline system if not addressed.

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 violations 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 item(s) identified in this letter. Be advised that failure to do so will result in Noble Energy Inc. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2009-7001W**. 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,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*