

## WARNING LETTER

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

August 30, 2010

Mr. Vern Meier  
VP, Field Operations  
ANR Pipeline Company  
717 Texas Ave.  
Houston, TX 77002

**CPF 4-2010-2001W**

Dear Mr. Meier:

On August 25, 2010 an inspection conducted by ANR Pipeline Company personnel confirmed a release of gas from a nominal 12-inch interstate natural gas pipeline operated by ANR Pipeline Company. The release occurred offshore in the Gulf of Mexico on a 12-inch pipeline located on a platform in Eugene Island Block 188. The incident was reported to the National Response Center (NRC) as Incident Report #952131 because the estimated damage exceeded \$50,000.

A representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code investigated the incident. As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations as noted below:

1. **§191.5 Telephonic notice of certain incidents.**
  - (a) **At the earliest practicable moment following discovery, each operator shall give notice in accordance with paragraph (b) of this section of each incident as defined in §191.3.**

**§191.3 Definitions.**

**"Incident" means any of the following events:**

- (1) An event that involves a release of gas from a pipeline or of liquefied natural gas or gas from an LNG Facility and**
- (ii) Estimated property damage, including cost of gas lost, of the operator or others, or both, of \$50,000 or more.**

ANR failed to make the proper notification to the NRC for their release on August 25, 2010. As noted in NRC report #952131, the incident was discovered on August 25, 2010 at 09:00 AM CDT, and the incident was reported to the NRC on August 25, 2010 at 8:05 PM CDT. PHMSA has defined the acceptable time to make a telephonic report as within two hours of discovery of an incident. PHMSA reviewed the NRC report and discussed the discovery and report times with ANR personnel. ANR confirmed that the report had not been submitted within the two hour time span due to an internal communication issue.

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 item(s) identified in this letter. Failure to do so will result in ANR 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 4-2010-2001W**. 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  
Pipeline and Hazardous  
Materials Safety Administration