



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 15, 2008

Mr. Robert Pyle
Manager, Pipeline and Marine Logistics
Pacific Energy Resources LTD
111 West Ocean Blvd., Suite 1240
Long Beach, CA 90802

CPF 5-2008-5034M

Dear Mr. Pyle:

On August 25-27, 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Pacific Energy Resources' procedures for Operations and Maintenance (O&M) Procedural Manuals in Long Beach California.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Pacific Energy Resources' plans or procedures, as described below:

1. §195.214 Welding procedures

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under Section 5 of API 1104 or Section IX of the ASME Boiler and Pressure Vessel Code (ibr, see § 195.3) . The quality of the test welds used to qualify the welding procedure shall be determined by destructive testing.

Pacific Energy Resources is not specific in its O&M manuals regarding what section and edition of API 1104 need to be used to qualify its 'Welding Procedures'.

2. §195.222 Welders: Qualification of welders.

(a) Each welder must be qualified in accordance with section 6 of API 1104 (ibr, see §195.3 or section IX of the ASME Boiler and Pressure Vessel Code, (ibr, see § 195.3) except that a welder qualified under an earlier edition than listed in § 195.3 may weld but may not re-qualify under that earlier edition.

Pacific Energy Resources requires its welder to be qualified under Section 3 of API 1104. CFR 49 Part 195.222 requires all welders to be qualified under Section 6 of API 1104. Pacific Energy needs to change its O&M procedural manual to reference Section 6 and specify the correct edition of API 1104.

3. §195.228 Welds and welding inspection: Standards of acceptability.

(b) The acceptability of a weld is determined according to the standards in Section 9 of API 1104. However, if a girth weld is unacceptable under those standards for a reason other than a crack, and if Appendix A to API 1104 (ibr, see § 195.3) applies to the weld, the acceptability of the weld may be determined under that appendix.

Pacific Energy Resources requires its weld acceptability to be inspected under Section 6 of API 1104. CFR 49 Part 195.288 requires weld inspection to be performed under Section 9 of API 1104. Pacific Energy needs to change its O&M procedural manual to reference Section 9 and specify the correct edition of API 1104.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 5-2008-5034M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Hoidal", written in a cursive style.

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 H. Monfared (#122435)

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