

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 15, 2009

Mr. Bruce Johnston
Operations Superintendent
Pacific Operators Offshore, LLC
1145 Eugenia Place, Suite 200
Carpinteria, CA 93013

CPF 5-2009-2001W

Dear Mr. Johnston:

From September 10 to 12, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, conducted an onsite inspection of the Pacific Operators Offshore gas pipeline facilities and records in Carpinteria, California.

As a result of the inspection, it appears that you have committed probable violation as noted below of pipeline safety regulations, Title 49, CFR, Part 192. The item inspected and the probable violation is:

1. § 192.605(a): General.

Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar. This manual must be prepared before operations of a pipeline system commence.

Pacific Operators Offshore (POO) Gas Pipeline Operations Manual was shown in the Record of Revisions page being as last reviewed in May 2004. POO personnel stated they conducted reviews of the manual at least once a year, but failed to record those annual reviews in the formal Record of Revisions portion of the manual.

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 have decided not to assess you a civil penalty. We advise you to correct the items identified in this letter. Failure to do so will result in POO 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 5-2009-2001W**. 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,

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

cc: PHP-60 Compliance Registry
PHP-500 P. Nguyen (#121219)