

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 8, 2011

Ms. Susan Whalen  
Senior Vice President  
Greka Energy  
P. O. Box 5489  
Santa Maria, CA 93456

CPF 5-2011-0009W

Dear Ms. Whalen:

On May 8-16, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Orcutt Hill to Suey Junction Pipeline System and supporting records in Santa Maria, California.

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. The item inspected and the probable violation is:

**1. §192.616 Public awareness.**

**(a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see §192.7).**

**(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.**

**(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance**

with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

**(d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:**

**(1) Use of a one-call notification system prior to excavation and other damage prevention activities;**

**(2) Possible hazards associated with unintended releases from a gas pipeline facility;**

**(3) Physical indications that such a release may have occurred;**

**(4) Steps that should be taken for public safety in the event of a gas pipeline release; and**

**(5) Procedures for reporting such an event.**

**(e) The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.**

**(f) The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.**

**(g) The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area.**

**(h) Operators in existence on June 20, 2005, must have completed their written programs no later than June 20, 2006. The operator of a master meter or petroleum gas system covered under paragraph (j) of this section must complete development of its written procedure by June 13, 2008. Upon request, operators must submit their completed programs to PHMSA or, in the case of an intrastate pipeline facility operator, the appropriate State agency.**

**(i) The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.**

**(j) Unless the operator transports gas as a primary activity, the operator of a master meter or petroleum gas system is not required to develop a public awareness program as prescribed in paragraphs (a) through (g) of this section. Instead the operator must develop and implement a written procedure to provide its customers public awareness messages twice annually. If the master meter or petroleum gas system is located on property the operator does not control, the operator must provide similar messages twice annually to persons controlling the property. The public awareness message must include:**

**(1) A description of the purpose and reliability of the pipeline;**

**(2) An overview of the hazards of the pipeline and prevention measures used;**

**(3) Information about damage prevention;**

**(4) How to recognize and respond to a leak; and**

**(5) How to get additional information.**

At the time of inspection, the Public Awareness procedure(s) and record(s) were not available for review by the PHMSA inspector. Therefore, Greka failed to comply with a requirement of Part 192.616(i).

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 Greka Energy 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 5-2011-0009W**. 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  
Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry  
PHP-500 J. Kenerson (#120694)