

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 14, 2015

Mr. Scot Childress  
Operations Manager-AK  
ENI US Operating Co. Inc.  
3800 Centerpoint Drive, Suite 300  
Anchorage, AK 99503

CPF 5-2015-6004W

Dear Mr. Childress:

On July 29, 2015 and July 30, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected ENI US Operating Co. Inc.'s (ENI) records and facilities located near Prudhoe Bay, Alaska.

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

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
  - (a) **Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

Per §195.402(a), ENI must review their operations and maintenance manual within a required time frame of once each calendar year but should not exceed 15 months. This review must also include the ENI Operator Qualification (OQ) manual. During the inspection it was determined that although the Operations and Maintenance manual had been reviewed annually, ENI's OQ manual had not been reviewed since 2010. ENI must review, update, and document the review of their OQ manual according to part 195.402(a), once per calendar year and not to exceed 15 months.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 items identified in this letter. Failure to do so will result in ENI 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 **5-2015-6004W**. 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 R. Guisinger (#150800)