

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 9, 2012

Mr. Kok-Yew See
U.S. Production Manager
ExxonMobil U.S. Production, a Division of ExxonMobil Corporation
P.O. Box 4358
Houston, Texas 77210-4358

CPF 2-2012-2001W

Dear Mr. See:

From November 7 to 10, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected the ExxonMobil US Production (XOM) records and procedures in its Theodore, Alabama office and its offshore natural gas pipeline facilities in the Mobile Bay and Gulf of Mexico, pursuant to Chapter 601 of 49 United States Code.

As a result of the inspection, it appears that XOM has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. **§192.745 Valve maintenance: Transmission lines.**
 - (a) **Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.**
 - (b) **Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.**

XOM did not inspect and partially operate each transmission line valve that might be required during any emergency at intervals not exceeding 15 months, but at least once each calendar year. During the inspection, records dating back to 2008 were reviewed. For Line MO-31-G, the "Hunt Line," there were valve maintenance records up until December 2008 and no records thereafter. XOM records indicated that the "Hunt line" had been shut-in since 1999. However, the line has not been "abandoned" in accordance with §192.727(g), which requires that operators file a report upon abandonment for each abandoned offshore pipeline facility. Until the "Hunt Line" is abandoned, the requirements of Part 192 still apply.

2. §192.477 Internal corrosion control: Monitoring.

If corrosive gas is being transported, coupons or other suitable means must be used to determine the effectiveness of the steps taken to minimize internal corrosion. Each coupon or other means of monitoring internal corrosion must be checked two times each calendar year, but with interval not exceeding 7 1/2 months.

XOM did not check each coupon or other means of monitoring internal corrosion two times each calendar year, but with interval not exceeding 7½ months. During the inspection, records dating back to 2008 were reviewed. For Line MO-31-G, the “Hunt Line,” there were no records indicating that XOM performed monitoring to determine the effectiveness of the steps taken to minimize internal corrosion. XOM records show the “Hunt line” as being shut-in since 1999. Until the “Hunt Line” is abandoned, the requirements of Part 192 still apply.

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 XOM 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 2-2012-2001W**. 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,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region