

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 10, 2011

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

CPF 5-2010-0010

Dear Ms. Whalen:

On March 3, 2010, the Pipeline & Hazardous Materials Safety Administration (PHMSA) issued a Notice of Probable Violation and Proposed Compliance Order (Notice) to Greka Energy, CPF 5-2010-0010. The Notice, which concerned a May 2008 inspection of your Orcutt Hill to Suey Junction Pipeline System in Santa Maria, California, alleged that Greka Energy had not established a Damage Prevention Program as required by 49 C.F.R. §192.416(b) and (c).

This letter is to inform you that the allegation in the Notice was incorrectly cited and has been withdrawn. It has been determined that at the time of the inspection a probable violation did exist, however, it should have been cited under the Public Awareness requirements in 49 C.F.R. Part 192.

You will receive another Notice by mail with the correct allegation of violation and be afforded an opportunity to exercise your procedural rights as provided in 49 C.F.R. Part 190.

Sincerely,

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

cc: PHP-60 Compliance Registry
PHP-500 J. Kenerson (#129064)