

SALMON



RESOURCES LTD.

RECEIVED JAN 25 2008

January 23, 2008

Mr. Ivan Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration (PHMSA)
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

re: CPF 3-2007-5033

Notice of Probable Violation; Proposed Civil Penalty and Proposed Compliance Order
and

CPF 3-2007-5034M
Notice of Amendment

Dear Mr. Huntoon,

I am in receipt of the documents listed above, and submit the following response on behalf of Salmon Resources Ltd. (Salmon):

1. Concerning the Notice of Amendment (NOA) – Salmon is proceeding with the listed modifications to our programs. We expect to have all revisions from the NOA completed by January 31, 2008. In addition, we are conducting our annual review, which we expect to complete and send to PHMSA by February 15, 2008.
2. Concerning the Proposed Compliance Order – Salmon will perform the activities and submit the information requested by the proposed deadlines.
3. Concerning the Proposed Civil Penalty – Salmon believes that the penalties assessed by PHMSA are excessive, as per *49 CFR §190.225 Assessment considerations*. However, we agree to pay the assessed amounts. It is important to note that the pipelines have been operational, without incident, since 1988. We have made no attempt to conceal our non-compliance, the non-compliance did not lead to any unsafe incidents or environmental damage, and we have acted in good faith in attempting to achieve compliance in a timely manner.

We thank you for consideration of this response, and look forward to working with you and your staff toward the resolution of any outstanding items.

Sincerely,


Ms. Tamara Murray
President