NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 25, 2009

Mr. Patrick Doolan, Vice President
Southern Operations Manager
ExxonMobil Pipeline Company
800 Bell Street
PL-EMB-691H
Houston, TX 77002

CPF 3-2009-5025

Dear Mr. Doolan:

On November 21, 2008 and December 1-3, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your ExxonMobil Pipeline Company’s 30-inch diameter Mokena to Joliet refinery crude oil pipeline, the Lockport, IL refined products terminal, and pipeline records, and the field facilities in Patoka and Lockport, IL.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:
1. §195.404 Maps and Records.

   (a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information;

   (3) The maximum operating pressure of each pipeline.

ExxonMobil Pipeline Company did not maintain current maps and records that would define the maximum operating pressure of each pipeline system. The 16-inch diameter pipeline within the Lockport, IL Terminal that feeds the Buckeye (West Shore) system does not have any maximum operating pressure (MOP) determination documentation. According to ExxonMobil personnel, the section of the pipeline within the terminal fence has been treated as in-plant piping and, therefore, not subject to the scrutiny of MOP documentation. In addition, there were no pressure test records.

2. §195.404 Maps and Records.

   (b) Each operator shall maintain for at least 3 years daily operating records that indicate-

   (2) Any emergency or abnormal operation to which the procedures under §195.402 apply.

ExxonMobil Pipeline Company did not maintain operating records of all abnormal operations on the incoming and outgoing pipelines, breakout tanks and facility piping at the Lockport, IL Terminal as required by the code. Abnormal operations documented on the event log recorder have not been kept for the three years as required by the code. Records were available from November 2007 to December 2008. Abnormal operation records from December 2005 through October 2007 were not maintained for the pipeline.

Proposed Civil Penalty

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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of $30,000 as follows:

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<tr>
<th>Item number</th>
<th>PENALTY</th>
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<tr>
<td>1</td>
<td>$15,000</td>
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<td>2</td>
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Proposed Compliance Order
With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to ExxonMobil Pipeline Company. Please refer to the Proposed Compliance Order, which is enclosed and made a part of this Notice.

Response to this Notice
Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Compliance Proceedings. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to CPF 3-2009-5025 and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Compliance Proceedings
PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to ExxonMobil Pipeline Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of ExxonMobil Pipeline Company with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice, ExxonMobil Pipeline Company must provide PHMSA’s Central Region Office with the supporting documentation for the determination of the maximum operating pressure (MOP) of the 16-inch diameter pipeline that feeds the Buckeye (West Shore) system. The documentation is to include coverage of all applicable factors to the MOP determination required by §195.406 and including applicable pressure testing records.

2. Submit the results of the Proposed Compliance Order items above to the Region Director, Central Region, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, 901 Locust Street, Suite 462, Kansas City, MO 64106. This is to be accomplished within 30 days following receipt of the Final Order.

3. ExxonMobil Pipeline Company shall maintain MOP determination documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Ivan A. Huntoon, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.