



PostRock[®]
Energy Corporation

PostRock KPC Pipeline, LLC

September 21, 2011

VIA ELECTRONIC TRANSMISSION AND FEDERAL EXPRESS

U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Mr. David Barrett
Director, Central Region
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

Regarding: CPF No. 3-2011-1013M

Dear Mr. Barrett;

This letter is in response to the Notice of Amendment dated August 23, 2011 that we received from your office. PostRock KPC Pipeline, LLC (PostRock) does not contest said Notice. Per your request, PostRock has amended its Emergency Response Plan. Enclosed herewith is a copy of Section 8.21 from PostRock's Plan reflecting the amendment made in response to the referenced Notice.

Specifically, the Notice stated:

DOT Reference #1 – PostRock (KPC) Pipeline, LLC's (PostRock) Process for data collection for incident reporting neglects to account for all applicable property damage. PHMSA discovered during inspection of PostRock's pipeline repair records that the cost of the repairs of leaks included the cost of contract labor, but did not include the cost of company labor. PHMSA does not differentiate between the costs of company labor vs. contract labor, therefore, all relevant company labor costs must be included when considering the reporting criteria for incidents. For instance, instructions for incident reporting on PHMSA form F 7100.2 since 2010 specify that "all relevant costs to the operator must be included" and explain that labor costs associated with repair are to be included. PostRock shall amend its procedures to clarify information gathering requirements, including all relevant costs for reporting incidents under 49 CFR 191.

The amendment PostRock has made to Section 8.21 provides:

***\$50,000** – All relevant costs to PostRock must be included in calculating the total estimated property damages. In addition to the cost of gas lost, these damages include repair costs (including, but are not limited to, equipment cost, pipe cost, contract labor, company labor and any other costs associated with the repair).

If you have any questions, comments or suggestions please feel free to call the undersigned at (913) 764-6015.

Sincerely,

Mr. Joe Fowler
Operations Manager

8.21 Written Report Development Procedure

DOT PIPELINE DEFINITIONS FOR WRITTEN REPORTING

GAS PIPELINE INCIDENT DEFINITION

INCIDENT MEANS ANY OF THE FOLLOWING EVENTS:		
1	An event that involves a release of gas from a pipeline or of liquefied natural gas or gas from an LNG facility and:	
	A	A death, or personal injury necessitating in-patient hospitalization; or
	B	Estimated property damage, including cost of gas lost, of the operator or others, or both, of \$50,000* or more.
2	An event that results in an emergency shutdown of an LNG facility.	
3	An event that is significant, in the judgment of the operator, even though it did not meet the criteria of paragraphs (1) or (2) above.	

* **\$50,000** - All relevant costs to PostRock must be included in calculating the total estimated property damages. In addition to the cost of gas lost, these damages include repair costs (including, but are not limited to, equipment cost, pipe cost, contract labor, company labor and any other costs associated with the repair).

If an accident / incident occurs as defined above, the person discovering the incident must immediately notify the Operations Manager of the condition. The Operations Manager will immediately notify the Pipeline and Maintenance Supervisor.

Utilizing the DOT PHMSA Form 7100.2 (Gas Incident Report Form) the Pipeline and Maintenance Supervisor will gather information found on the report and submit to the Operations Manager. The Operations Manager will finalize the report and submit to the Federal DOT / Office of Pipeline Safety (after approved by the Operations Manager) and (in the case of intrastate pipelines) to the appropriate state agency where the pipeline is located. See the following page for the address of the written reports.

INTRASTATE PIPELINE NOTE: State Pipeline Safety reporting requirements may differ from federal pipeline reporting requirements. Refer to