Mr. John Burge
President
Mardi Gras Pipeline, LLC
700 Covington Center, Suite 2
Covington, Louisiana

Re: CPF No. 4-2009-1007

Dear Mr. Burge:

On December 19, 2011, the Pipeline and Hazardous Materials Safety Administration (PHMSA), issued to Mardi Gras Pipeline, LLC, (Mardi Gras), a Final Order in the above referenced case. Pursuant to this Final Order, Mardi Gras was assessed a civil penalty of $35,000.00. Based upon our review of Mardi Gras’ actions, it has been determined that Mardi Gras has not paid this $35,000.00 civil penalty.

Further, PHMSA has referred documentation on this case to the United States Department of Justice for potential criminal or civil enforcement. The Department of Justice is currently reviewing these files to determine if litigation should commence in CPF No. 4-2009-1007.

PHMSA recognizes that attempting to collect the civil penalty assessed against Mardi Gras in CPF No. 4-2009-1007 may interfere with the Department of Justice’s ongoing review of the above referenced case. Therefore, while the Department of Justice completes its review, PHMSA will retain the record of the unpaid civil penalty in the above referenced case but will suspend its efforts to collect such a penalty.

Sincerely,

Alan K. Mayberry
Acting Associate Administrator
for Pipeline Safety

Enclosure:
cc. Mr. Rodrick M. Seeley, Director, Southwest Region, OPS
Mr. John Burge, President, Mardi Gras Pipeline, LLC
Mr. John Burge, President, Katrina Energy, P.O. Box 3746, Covington, Louisiana 70434
Mr. John Burge, President, Katrina Energy, 4810 Hummingbird Street, Houston, Texas, 77035
Mr. Phillip K. Wallace, Esq., 2027 Jefferson Street, Mandeville, Louisiana, 70448

CERTIFIED MAIL – RETURN RECEIPT REQUESTED