

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 19, 2010

Ms. Rebecca B. Roberts
President
Whitecap Pipe Line Company, LLC
4800 Fournace Place
Bellaire, Texas 77401

CPF 4-2010-5012W

Dear Ms. Roberts:

On March 27, 2010 an inspection conducted by Whitecap Pipe Line Company, LLC personnel confirmed a release of crude from a nominal 18-inch interstate pipeline operated by Whitecap Pipe Line, LLC. The release occurred offshore in the Gulf of Mexico on the 18-inch Whitecap pipeline where it crosses a 36-inch Tennessee Gas Transmission Pipeline.

A representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code investigated the accident.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations as noted below:

1. **§195.52 Telephonic notice of certain accidents.**
 - a) **At the earliest practicable moment following discovery of a release of the hazardous liquid or carbon dioxide transported resulting in an event described in §195.50, the operator of the system shall give notice, in accordance with paragraph (b) of this section, of any failure that:**

- (1) Caused a death or an injury requiring hospitalization;**
- (2) Resulted in either a fire or explosion not intentionally set by the operator;**
- (3) Caused estimated property damage, including cost of cleanup and recovery, value of Lost product, and damage to the property of the operator or others, or both, exceeding \$50,000;**
- (4) Resulted in pollution of any stream, river, lake, reservoir, or other similar body of water that violated applicable water quality standards, caused a discoloration of the surface of the water or adjoining shoreline, or deposited a sludge or emulsion beneath the surface of the water or upon adjoining shorelines; or**
- (5) In the judgment of the operator was significant even though it did not meet the criteria of any other paragraph of this section.**
- (b) Reports made under paragraph (a) of this section are made by telephone to 800-424-8802 (in Washington, D.C. 20590-0001, (202) 372-2428,) and must include the following information:**
 - (1) Name and address of the operator.**
 - (2) Name and telephone number of the reporter.**
 - (3) The location of the failure.**
 - (4) The time of the failure.**
 - (5) The fatalities and personal injuries, if any.**
 - (6) All other significant facts known by the operator that are relevant to the cause of the failure or extent of the damages.**

Whitecap Pipeline did not make the proper telephonic notification to the NRC. In an email to PHMSA it was reported by Whitecap personnel that the accident had been reported to the NRC and that the report number was NRC # 934989. PHMSA reviewed this NRC report and learned that the report had not been submitted by Whitecap personnel but by personnel from Petroleum Helicopters, Inc.

PHMSA also reviewed the DOT Form 7000-1 submitted by Whitecap. In this submittal, Whitecap stated that the accident had been reported to the NRC and the report was identified by a different reference number as NRC report # 935149. PHMSA reviewed this NRC report and learned that it had been submitted by McMoran Oil and Gas.

PHMSA is unaware of and Whitecap has not made it known that there is a contractual agreement between Whitecap and either Petroleum Helicopters or McMoran Oil for making such NRC reports. Whitecap failed to make the proper notification to the NRC for their release on March 27, 2010.

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. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct

additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Whitecap being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2010-5012W**. 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).

Sincerely,

R. M. Seeley
Director, Southwest
Pipeline and Hazardous
Materials Safety Administration