

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 13, 2010

Mr. Troy Valenzuela
V.P. Environmental, Health and Safety
Plains Pipeline, LP
333 Clay Street, Suite 1600
Houston, TX 77002

CPF 4-2010-7001M

Dear Mr. Valenzuela:

On June 21-24, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Plains Pipeline, LP - Offshore Crude procedures for Operations and Maintenance in Abbeville, LA.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Plains Pipeline's plans or procedures, as described below:

1. **§195.57 Filing offshore pipeline condition reports.**
 - (a) **Each operator shall, within 60 days after completion of the inspection of all its underwater pipelines subject to §195.413(a), report the following information:**
 - (1) **Name and principal address of operator.**
 - (2) **Date of report.**
 - (3) **Name, job title, and business telephone number of person submitting the report.**
 - (4) **Total number of miles (kilometers) of pipeline inspected.**
 - (5) **Length and date of installation of each exposed pipeline segment, and location; including, if available, the location according to the**

Minerals Management Service or state offshore area and block number tract.

- (6) Length and date of installation of each pipeline segment, if different from a pipeline segment identified under paragraph (a)(5) of this section, that is a hazard to navigation, and the location; including, if available, the location according to the Minerals Management Service or state offshore area and block number tract.**

- (b) The report shall be mailed to the Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, Department of Transportation, Information Resources Manager, PHP-10, 1200 New Jersey Avenue, SE., Washington, DC 20590.**

The operator's procedure, O&M-431, Normal Operating Procedures, Offshore Depth of Cover Procedure, does not include the requirement to file the report with the findings of the exposed pipe segments within 60-days of the completion of the inspection. Also, the procedure references the incorrect address to be used when filing an Offshore Pipeline Condition Report. The operator needs to modify the procedures to reflect the necessary changes.

2. §195.413 Underwater inspection and reburial of pipelines in the Gulf of Mexico and its inlets.

(a) Except for gathering lines of 4 1/2 inches (114mm) nominal outside diameter or smaller, each operator shall prepare and follow a procedure to identify its pipelines in the Gulf of Mexico and its inlets in waters less than 15 feet (4.6 meters) deep as measured from mean low water that are at risk of being an exposed underwater pipeline or a hazard to navigation. The procedures must be in effect August 10, 2005.

(b) Each operator shall conduct appropriate periodic underwater inspections of its pipelines in the Gulf of Mexico and its inlets in waters less than 15 feet (4.6 meters) deep as measured from mean low water based on the identified risk.

The operator's procedure for identifying pipelines located offshore in waters up to 15 feet in depth that are at risk of becoming exposed and a hazard to waterway navigation lacks details involving inclement weather. The operator has neglected to include within the procedure the effects of inclement weather on the interval between subsequent inspections. The operator must modify the procedures to provide sufficient detail for dealing with inclement weather and the modification of the interval between subsequent inspections.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 4-2010-7001M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*