

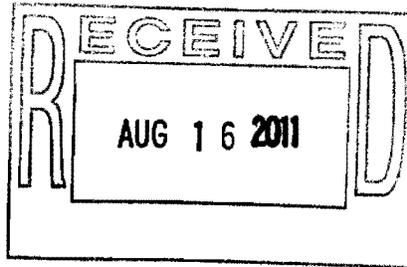
PLAINS MARKETING, L.P.

Jordan Janak
Senior Dir., Environmental & Regulatory Compliance

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August 8, 2011

Mr. R.M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration
8701 South Gessner, Suite 1110
Houston, TX 77074



Via Federal Express

Re: **Notice of Probable Violation Proposed Civil Penalty, CPF 4-2011-5010**
(Plains File CL2994)

Dear Mr. Seeley,

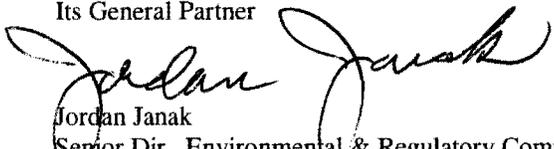
In regards to the Notice of Probable Violation Proposed Civil Penalty ("Notice"), dated July 13, 2011, Plains Marketing, L.P. ("Plains") does not wish to contest the violation alleged in the Notice. Plains agrees that it was late in filing an Accident Report ("Report") concerning the hazardous liquid accident at its St. James terminal on September 12, 2010, and that the Report should have been filed by October 12, 2010. However, Plains wishes to submit information and materials it believes warrant mitigation of the civil penalty.

The violation is due to a human error made during a good faith attempt to comply, in accordance with 49 C.F.R. § 190.225(a)(5). The person responsible for filing the 7000-1 report had worked for Plains for less than three months and had taken over the responsibility of filing Reports from an individual who had this responsibility for many years prior to passing away. This new person completed the form on the PHMSA website, but being unfamiliar with the submission process, did not hit the "Submit" link on the webpage. That draft of the Report was assigned Draft Number 4000 and was completed on October 11, 2010, within the 30 day deadline for the Report (See attached).

This violation is an administrative violation of the pipeline safety regulations. The nature of this violation did not result in any threat or impact to the safety and health of the public or the environment. Plains considers the amount of the civil penalty for an administrative violation somewhat excessive and respectfully requests that PHMSA consider reducing the penalty to an amount more reflective of the seriousness of the violation.

Sincerely,

Plains Marketing, L.P.
By: Plains Marketing GP Inc.
Its General Partner


Jordan Janak
Senior Dir., Environmental & Regulatory Compliance
Attachment

cc: Mr. Warren Fusilier
Mr. Mike Kelly