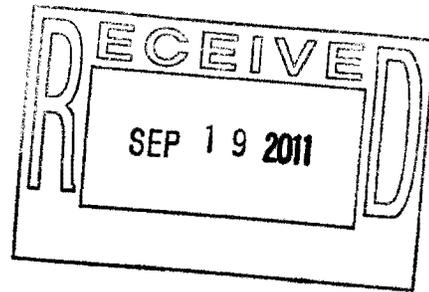


September 16, 2011

**VIA FEDERAL EXPRESS**

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

Re: Centurion Pipeline L.P.  
Notice of Probable Violation  
CPF 4-2011-5013



Dear Mr. Seely:

On behalf of Centurion Pipeline L.P., I am responding to the Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order ("Notice") dated August 17, 2011. Centurion takes seriously the obligation to ensure that its pipeline facilities are operated and maintained in a manner that safeguards the public, property and environment. With regard to the Notice, Centurion does not contest the Notice and will pay the proposed civil penalties. The Notice refers to an incident occurring on October 10, 2010 at Centurion's Slaughter Station. In response to the Notice, Centurion responds as follows:

**Item 1** - Centurion failed to give notice at the earliest practicable moment following discovery of a crude oil release to the National Response Center (NRC).

**Response 1** - Centurion is accepting the proposed penalty assessed for this alleged violation.

**Item 2** - Centurion failed to follow its written procedure P#195.423(b) in that it did not conduct a monthly inspection of Tank 6688 for the month of August, 2009.

**Response 2** - Centurion acknowledges that the inspector should have completed the inspection during the month of August, 2009, instead completing the inspection on September 2, 2009.

**Item 3** - Centurion failed to follow its Operator Qualification (OQ) program by not re-qualifying control center personnel annually as specified in Centurion's OQ Program.

**Response 3** - Centurion accepts the penalty assessed for this violation.

**Item 4** - Centurion failed to update the crude release amount on the accident report.

**Response 4** - Centurion made its best estimate of the oil released on October 11, 2010. On the date of the incident, Centurion collected information, including a field estimate of the oil observed and the overage/shortage calculated at the Control Center. Volumetric calculations

were based upon the oil recovered, plus the oil estimated in the soils remediated (based upon hydrocarbon concentrations) and resulted in estimated oil out, totaling 10,400 barrels. A record review indicates as much as 11,750 barrels of oil and sediment, as determined by the number of loads, was picked up and transferred by vacuum truck from the release site. The typical transfer ticket simply notes: "1 truckload." Centurion assumed 90-98% capacity was filled with each load and 4-8% of the material was sediment.

### **Compliance Order**

Item 1 -- Centurion has reviewed its written OQ program and supporting documents, and has made revisions to ensure the written program consistently states that personnel will be annually re-qualified for Task "O1- operate Pipeline system from Control Center." In addition, Centurion has re-qualified all Control Center Operators as required by the Compliance Order. Requalification of Control Center Operators was completed by May 25, 2011. Documentation demonstrating compliance with requalification will be provided.

Item 2 – Centurion accepts Compliance Order Item 2 and will submit a supplemental Form 7000-1 that reflects Centurion's findings as to the total volume released after consultation with PHMSA regional staff.

I would welcome the opportunity to sit down with the Regional Director for PHMSA's Southwest Region to more fully discuss our activities addressing the matters raised in this Notice and to further the constructive dialogue between PHMSA and Centurion.

Sincerely,

A handwritten signature in black ink, appearing to read "William C. Boyer", with a long horizontal flourish extending to the right.

William C. Boyer  
President