



June 1, 2012



Via Federal Express

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

Re: Notice of Probable Violation (NOPV) CPF 4-2012- 5016

Dear Mr. Seeley:

Kinder Morgan is in receipt of the above referenced Notice of Probable Violation (NOPV) and Proposed Civil Penalty for the multiple inspections conducted on the SFPP pipeline from EL Paso, Texas to the New Mexico/Arizona State Border conducted between June 7, 2011 through October 20, 2011. The NOPV alleges that Kinder Moran failed to inspect six Breakout Tanks according to Section 3.6.1 of API 653 pursuant to 49 CFR Part 194.432, (five at El Paso Breakout and one at El Paso Station); failure to examine the external surface of exposed pipelines for evidence of external corrosion during the Ft Bliss Reroute Project and Montana Check-valve Replacement Project in accordance with 49 CFR Part 195.569; and failure to inspect the internal surface of pipe removed from a pipeline for evidence of corrosion in accordance with 49 CFR Part 195.579 during the FT Bliss Reroute Project, Montana Check-valve Replacement Project, and Road Forks Mainline Valve replacement Project.

Kinder Morgan is not contesting the NOPV's and has paid the Civil Penalty in the amount of \$103, 300. (Wire transfer confirmation attached). In addition, Kinder Morgan Management and Compliance Codes and Standards personnel have held meetings with Operations Management, Project Engineers, and Project Inspectors to reiterate the requirements of 49 CFR Part 195 and Kinder Morgan's Liquids Operation and Maintenance Manual relative to items above.

Kinder Morgan is committed to operating our pipelines safely, with respect for the environment and in compliance with all governmental regulations.

If you have any questions or need further assistance contact me at 713 369-9152 or Buzz Fant at 713-369-9454.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ron G. McClain', written over a light-colored rectangular background.

Ron G. McClain  
Vice President Engineering and Operations  
Products Pipelines

**Watson, Cynthia**

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**Subject:** FW: wire transfer CPF 4-2012-5016

-----Original Message-----

From: Goodwin, Brian

Sent: Friday, June 01, 2012 1:45 PM

To: Watson, Cynthia

Cc: Lopez, Annette

Subject: RE: wire transfer CPF 4-2012-5016

Cynthia,

The fed reference number is 0601I1B7031R030597.

Thanks, Brian