



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

AUG - 8 2005

Mr. Eugene J. Voiland
President & CEO
Aera Energy, LLC
10000 Ming Avenue
P.O. Box 11164
Bakersfield, CA 93389-1164

RE: CPF No. 5-2000-0012

Dear Mr. Voiland:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and finds that you have completed the corrective actions and properly amended your procedures as proposed in the Notice. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

for

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Mr. R.H. John, Vice-president of Operations

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of

AERA ENERGY, LLC.

Respondent.

CPF No. 5-2000-0012

FINAL ORDER

During September 25-28, 2000, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records in Ventura, California. As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated November 22, 2000, a Notice of Probable Violation, Proposed Compliance Order, and Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. §§192.491 and proposed that Respondent take certain measures to correct the alleged violations. The Notice also proposed, in accordance with 49 C.F.R. §190.237, that Respondent amend its procedures for Operations, Maintenance and Emergencies.

Respondent responded to the Notice by letter dated January 26, 2001 (Response). Respondent contested one of the allegations of violation and provided information concerning the corrective actions it has taken. Respondent did not request a hearing, consequently Respondent waived its right to one.

FINDINGS OF VIOLATION

Uncontested

Respondent did not contest the alleged violation of §192.491 in Item 2 of the Notice. Accordingly, I find that Respondent violated 49 C.F.R. Part 192, as more fully described in the Notice:

49 C.F.R. §192.491(a)-(c) – failure to maintain a formal record keeping program with sufficient detail to ensure that inspection deadlines for maintenance activities meet the minimum requirements of §192.481, monitoring atmospheric corrosion.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

Item 1 of the Notice alleged that Respondent violated 49 C.F.R. §192.491(a) - (c) by not maintaining records necessary to administer the procedures established under §§192.465 and 192.405(c), interference bond monitoring. At the time of the inspection, Respondent was unable to produce records to show that inspection deadlines for maintenance activities were conducted between the years 1997 and 2000 on the gas gathering system.

In its initial response to Item 1, Respondent argued that it does not recognize the bonds as critical interference bond like those described in the first sentence of §192.465(c). Respondent contends that the bonds are and have been considered to be like those described in the second sentence of §192.465(c).

Respondent is responsible for compliance with the pipeline safety regulations, which includes sound record keeping. Without this history, an operator will have difficulty determining areas where there are problems that need to be addressed. The Notice alleged instances in which Respondent failed to maintain adequate records necessary to administer the procedures established under §192.491. The Notice did not allege, as the Respondent suggests, that the interference bonds were incorrectly classified. Rather, the alleged violation stems from the fact that there were no records at the time of the inspection to show monitoring of interference bonds. Respondent does not deny the key fact that the records cited in Item 1 were not provided at the time of the inspection. Accordingly, I find that Respondent violated 49 C.F.R. §192.491.

COMPLIANCE ORDER

The Notice proposed a Compliance Order with regards to Item 1 and Item 2, violation of 49 C.F.R. §§ 192.491. Respondent submitted information to show that it has addressed all items in the Proposed Compliance Order. Respondent revised its maintenance and inspection record keeping system to ensure that inspection deadlines for maintenance activities meet the minimum requirements of §192.481 and §192.405 (c). Respondent has completed all of the required corrective actions in the proposed compliance order. The Director, Western Region, OPS has accepted these measures as adequately fulfilling the requirements of the regulations and no further action is needed with respect to a compliance order.

AMENDMENT OF PROCEDURES

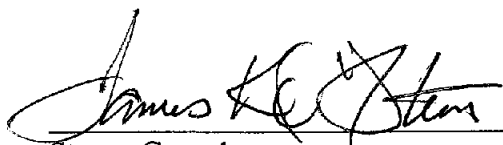
Items 3-8 of the Notice alleged inadequacies in Respondent's Operations, Maintenance and Emergencies Manual and proposed to require amendment of Respondent's procedures to comply with the requirements of 49 C.F.R. §§ 192.605(b)(8), 192.605(b)(9), 192.605(c)(1), 192.614(c)(3) and (4), 192.627 and 192.605(a)-(b).

In its response, Respondent submitted copies of its amended procedures, which the Director, Western Region, OPS reviewed. Accordingly, based on the results of this review, I find that Respondent's original procedures as described in the Notice were inadequate to ensure safe operation of its pipeline system, but that Respondent has corrected the identified inadequacies. No need exists to issue an order directing amendment.

WARNING ITEM

The Notice did not propose a civil penalty or corrective action for Items 9-14 but warned Respondent that it should take appropriate corrective action to correct the items. Respondent presented information in its response showing that it has addressed the cited items. Respondent is again warned that if OPS finds a violation in a subsequent inspection, enforcement action will be taken.

Under 49 C.F.R. § 190.215, Respondent has a right to petition for reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The terms of the order, including any required corrective action, shall remain in full effect unless the Associate Administrator, upon written request, grants a stay. The terms and conditions of this Final Order are effective upon receipt.



Stacey Gerard

for Associate Administrator
for Pipeline Safety

AUG - 8 2008

Date Issued