

**NOTICE OF PROBABLE VIOLATION  
PROPOSED CIVIL PENALTY  
and  
PROPOSED COMPLIANCE ORDER**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

January 8, 2009

Ms. Martha Brock  
EH&S Manager  
Breitburn Energy Corporation L.P.  
515 South Flower Street, Suite 4800  
Los Angeles, CA 90071

**CPF 5-2009-0008**

Dear Ms. Brock:

On June 18 and 19, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code, conducted an on-site pipeline safety inspection of Breitburn Energy Corp.'s Pico Gas gathering pipeline facilities in Los Angeles, California.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

**1. § 192.625 Odorization of gas.**

**(f) To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable. Operators of master meter systems may comply with this requirement by—**

**(2) Conducting periodic “sniff” tests at the extremities of the system to confirm that the gas contains odorant.**

Breitburn odorizes its gas at the West Pico production site but did not conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which odor becomes readily detectable. Breitburn could not produce documentation to demonstrate that the gas has the proper concentration of odorant and that the line has been periodically sniff tested. If Breitburn elects to odorize its gas, then it needs to provide documentation of odorant concentration as well and periodically sniff test the line.

**2. §192.706 Transmission Lines, Leakage Survey**

**Leakage surveys of a transmission line must be conducted at intervals not exceeding 15 months, but at least once each calendar year. However, in the case of a transmission line which transports gas in conformity with §192.625 without an odor or odorant, leakage surveys using leak detector equipment must be conducted-**

**(b) In Class 4 locations, at intervals not exceeding 4 1/2 months, but at least four times each calendar year.**

Breitburn did not conduct a leakage survey in the last three calendar years. Per §192.706, when the pipeline is located in Class 4 location, the operator must conduct a leakage survey at least 4 times each calendar year and at intervals not exceeding 4½ months. The entire line is located in a Class 4 location.

**3. §192.745 Valve maintenance: Transmission lines.**

**(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.**

Breitburn did not inspect the mainline block valves on its sales line for the last three calendar years. Each transmission mainline block valve that may be required during any emergency must be inspected at least once each calendar year not exceeding 15 months.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of \$98,800.00.00 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$28,800.00
2	\$35,000.00
3	\$35,000.00

Proposed Compliance Order

With respect to items 1, 2, and 3, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Breitburn Energy Corporation. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

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.

In your correspondence on this matter, please refer to **CPF 5-2009-0008** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Chris Hoidal  
Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry  
PHP-500 H. Monfared (#120785)

Enclosures: *Proposed Compliance Order*  
*Response Options for Pipeline Operators in Compliance Proceedings*

## PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Breitburn Energy Corporation a Compliance Order incorporating the following remedial requirements to ensure the compliance of Breitburn Energy Corporation with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to testing of the odorant in the gas line, Brietburn must test the odorant in the line and produce documentation to demonstrate that the gas has the proper concentration of odorant.
2. In regard to Item Number 2 of the Notice pertaining to leakage surveys in a Class 4 location, Breitburn must conduct a leakage survey and provide documentation to this office. Additionally, Brietburn must institute a tracking system to ensure that leak surveys are conducted at least four times each calendar year not exceeding 4½ months per the requirements of 49 CFR §192.706.
3. In regard to Item Number 3 of the Notice pertaining to the inspection of main line block valves, Breitburn must inspect and partially operate all valves that might be required during an emergency and provide inspection documentation to this office. Additionally, Brietbrun must institute a tracking system to ensure that any valves that may be required during an emergency are inspected at intervals not exceeding 15 months, but at least once each calendar year per the requirements of 49 CFR §192.745.
4. **Within 60 days of issuance of the Final Order, Breitburn must complete the above items, and submit the required documentation and procedures to the Director, Western Region, Pipeline and Hazardous Material Safety Administration, 12300 West Dakota Avenue, Suite 110, Lakewood, Colorado 80228.**
5. Breitburn shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.