



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 4, 2009

Mr. Duane Dudics, P.E.
HES Manager
Vintage Production California LLC
9600 Ming Ave., Suite 300
Bakersfield, CA 93311

CPF 5-2009-0012M

Dear Mr. Dudics:

On February 11-12, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the Vintage Production California LLC (Vintage) Operations and Maintenance (O&M) Procedural Manuals for the Sansinena Gas Gathering System. The inspection was conducted at your offices in Bakersfield, California.

On the basis of the inspection, PHMSA identified apparent inadequacies within your O&M plans or procedures, as described below:

1. **§191.7 Addressee for written reports**

Each written report required by this part must be made to the Information Resources Manager, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, PHP-10, 1200 New Jersey Avenue SE, Washington, DC 20590. However, incident and annual reports for intrastate pipeline subject to the jurisdiction of a State agency pursuant to a

certification under section 5(a) of the Natural Gas Pipeline Safety Act of 1968 may be submitted in duplicate to that State agency if the regulations of that agency require submission of these reports and provide for further transmittal of one copy within 10 days of receipt for incident reports and not later than March 15 for annual reports to the Information Resources Manager. Safety-related condition reports required by §191.23 for intrastate pipeline transportation must be submitted concurrently to that State agency, and if that agency acts as an agent of the Secretary with respect to interstate transmission facilities, safety-related condition reports for these facilities must be submitted concurrently to that agency.

Vintage reporting procedures contain the wrong address for submitting annual reports. The correct PHMSA address is "Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, PHP-10, 1200 New Jersey Avenue S.E., Washington, D.C."

2. **§192.225 Welding procedures.**

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under section 5 of API 1104 (incorporated by reference, see §192.7) or section IX of the ASME Boiler and Pressure Vessel Code "Welding and Brazing Qualifications" (incorporated by reference, see §192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the applicable welding standard(s).

Vintage does not specify in its O&M manuals what section and edition of API 1104 must be used to qualify its welding procedures. The manuals did not explicitly reference the appropriate industry standard that will be used to qualify Vintage's welding procedures. The latest welding standards, referenced in our Federal Regulation (§192.7), are the 20th Edition of API 1104, or the ASME Boiler and Pressure Vessel Code (2004 Edition). The proper reference standard is also required to qualify pipeline welding procedures and subsequent qualification of welders (§192.225) and weld testing procedures (§192.241).

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

'If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 5-2009-0012M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Hoidal". The signature is fluid and cursive, with the first name "Chris" and last name "Hoidal" clearly distinguishable.

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 H. Monfared (#123987)