

WARNING LETTER

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 5-2009-0013W

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 your written procedures contained within your Operations and Maintenance (O&M) Procedural Manuals for the Sansinena Gas Gathering System. Our representative also reviewed records to ensure that the O&M procedures were properly implemented. The procedure and record review was conducted at your Bakersfield, California office.

As a result of the inspection, it appears that Vintage Production California (Vintage) has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for

emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Each operator must review its O&M manuals at intervals not exceeding fifteen (15) months, but at least one each calendar year. Vintage could not provide records to demonstrate that it reviewed its O&M procedural manuals in 2008.

2. §192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and Pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—

- (1) In good mechanical condition;**
- (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;**
- (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and**
- (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.**

Pressure limiting device, 5V2PRV, was installed in August 2007 and subsequently replaced on January 26, 2009. The pressure limiting device installed in 2007 was not inspected in 2008. Therefore, Vintage did not inspect its pressure limiting device at the required frequency.

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.

The two block valves at each end of the pipeline, 8411-1 and 8477-2, were last inspected on January 21, 2009. Prior to this, they were not inspected in either 2007 or 2008. Vintage began operating this system in late 2006. Therefore, Vintage exceeded the required valve inspection frequency.

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. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Vintage Production California LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2009-0013W**. 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).

Sincerely,

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

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