




Vintage Production California LLC

A subsidiary of Occidental Petroleum Corporation 

Via Express Mail

June 17, 2009

Mr. Chris Hoidal,
Western Region Director
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

RE: Notice of Amendment (CPF 5-2009-0014M)

Dear Mr. Hoidal:

Vintage Production California LLC (VPC) received on Jun 9, 2009 the referenced Notice of Amendment (CPF 5-2009-0014M) regarding VPC O&M plans and procedures. The Notice indicated that the PHMSA representative identified two (2) apparent inadequacies within VPC O&M Plans or Procedures:

The following describes the plan to address the inadequacies:

1. In regard to item number 1 of the Notice, pertaining to the Operator Qualification (OQ) program: "Vintage specified its covered tasks as both Critical or Non-Critical. Critical tasks are performed by qualified individuals only, and non-critical tasks could be performed by non-qualified individuals under the direction and observation by a qualified individual. This level of oversight, however, did not explicitly include contractors and their subcontractors. Vintage needs to expand the provision for other entities performing covered tasks on behalf of Vintage to ensure they are all evaluated and qualified per its OQ program requirements."

Response:

VPC has made a revision on its Operator Qualification (OQ) plan and has explained the provision for management of other entities performing covered tasks. Appendix B presents OQ contractor and subcontractors plan procedure with the provisions.

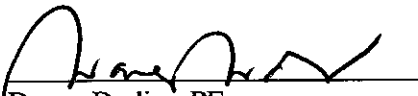
2. In regard to item number 2 of the Notice, pertaining to Qualification program: "The PHMSA Office of Pipeline Safety (OPS) requires notification of any significant changes to an operator's OQ Program. Vintage is referencing an old OPS address in their OQ plan. Written notifications should be sent to the Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, PHP-10, 1200 New Jersey Avenue SE, Washington, DC 20590."

Response:

VPC has made a revision on the OQ element #6 "MOC and Communication of Change" indicating that significant changes to be communicated to the individual(s) and contractors performing covered tasks. Appendix B contains element #6.

Please contact me at (661) 869-8072 to answer any questions you may have.

Sincerely,



Duane Dudics, PE
HES Manager
Vintage Production California LLC

cc: A. Herrera (VPC)
H. Monfared (PHMSA)
R. Oringerff (VPC)
B. Zimmermann (Oxy)

APPENDIX A

Operator Qualification Plan

Gas and Hazardous Liquid Pipelines

Contractors/Subcontractors

Ref: 49 CFR 192.803 & 805, 195.503 & 505

Updated: Feb 2009

General

The Company may use contractors/subcontractors to perform covered tasks on their pipeline system. The operator qualification regulation requires that any individual who performs a covered task on the Company system be qualified for that task according to Company operator qualification plan. When the Company uses contractors/subcontractors for any covered task, the Company is responsible to ensure that each contractor/subcontractor employee who performs one or more covered tasks on the Company system is qualified for that task or is being directed and observed by a qualified individual.

Here are four methods the Company will use in handling contractor/subcontractor qualification: Note, regardless of qualification method selected, the Company shall require proper identification before the contractor/subcontractor is permitted to perform a covered task. Proper ID shall include a photo ID. For example, driver's license or ISNetworld photo would be acceptable ID methods.

1. Evaluate the contractor/subcontractor individuals using Company evaluations.
2. Allow the contractor/subcontractor to evaluate its personnel using either the Company evaluations for the tasks or the contractor/subcontractor's evaluations for the tasks.

In the latter case, the Company will obtain copies of the contractor/subcontractor's evaluations and ensure they address the same knowledge, skills, abilities and AOC's as the Company evaluations for the same tasks. The Company will ensure the evaluations are documented, e.g. test questions are written and observation evaluations include checklists indicating what is observed. The Company will list these evaluations in the OQ Plan as evaluations you accept for these tasks. See Appendix "C".

3. The contractor/subcontractor may be evaluated by a third party (e.g. NACE, NCCR, etc.). The Company will contact the third party, obtain copies of the evaluations and verify that they address the same knowledge, skills, abilities and AOC's as your evaluations for the same tasks. The Company will ensure the evaluations are documented, e.g. test questions are written and observation evaluations include checklists indicating what is observed. The Company will list these evaluations in the OQ Plan as evaluations you accept for these tasks. See Appendix "C".
4. Do not qualify contractor/subcontractor personnel; have one of your qualified company individuals or qualified contractor/subcontractor personnel observe and direct non-qualified contractor/subcontractor personnel. Note, direct observation is not allowed on critical tasks which have a span-of-control of zero (0).

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Qualification methods not pre-approved and listed in Appendix "C" must be reviewed and approved before work begins on a covered task. Typically, pre-approved methods and materials include national standards, industry standards, or manufacturer's training. Examples include NACE, NCCER, MEA, etc. See Appendix "C" for a full list of pre-approved qualification methods.

Will qualified persons be required to carry cards to document the covered tasks for which they are qualified? [FAQ #3.1]

Carrying ID cards to document covered tasks that a person is qualified to perform is permissible but not required. Some means is needed to allow a supervisor or foreman to determine the covered tasks for which persons under his/her supervision are qualified. The issuance and possession of ID cards is one means by which a supervisor or foreman can make this determination. Other means could include an electronic database accessible to the appropriate personnel that contains qualification records of all persons qualified to perform covered tasks for the operator. Paper ("hardcopy") records may also be appropriate.

Positive identification of the individual performing the covered task may also be required in cases where the individual and his or her qualifications are unknown to the job supervisor. The operator should require a government-issued identification in order to confirm that the correct individual has reported to the job site for the performance of the covered task.

Contractors Use of Their Own Procedures for Performing Covered Tasks

Contractors are not required to use the operator's procedures for performing covered tasks. However, if a contractor uses different procedures, the company is responsible to ensure that these procedures are acceptable and documented in their O&M manual, and for ensuring that the contract individuals are qualified in performance of covered tasks using these procedures.

Contractors are required to perform covered tasks in a manner determined by the company to be consistent with the company's procedures. The company is responsible for ensuring that contractor procedure or evaluation criteria and reevaluation intervals are acceptable.

Management of Other Entities Performing Covered Tasks

Mutual assistance agreements are typically designed to clarify the conditions under which pipeline operators support each other in the safe restoration of services following a significant outage. It is the responsibility of the company whose system is being restored to ensure that all individuals performing covered tasks pursuant to mutual assistance agreements are qualified in a manner consistent with the company's OQ Program requirements.

Use on Non-English Speaking Contractors/Subcontractors

The company will ensure there is effective communication of company specific requirements for task performance when qualified contractors/subcontractors individuals speak and comprehend languages other than English.

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Gas and Hazardous Liquid Pipelines

Contractors/Subcontractors

Ref: 49 CFR 192.803 & 805, 195.503 & 505

Updated: Feb 2009

Related References and Documents

1. 49 CFR 195.503 & .505, and 192.803 & .805
2. Federal Register, Volume 64, pages 46853-46867, August 27, 1999
3. API #1161, Guidance Document for the Qualification of Liquid Pipeline Personnel, Section 5.9, page 11, 1st Edition, August 2000
4. OPS Frequently Asked Questions (FAQs), December 2008
5. PHMSA OQ Protocols, December 15, 2008
6. OPS Small System OQ Guide, pages 8-9, April 2003
7. ASME B31Q-2006

APPENDIX B

Operator Qualification Plan

Gas and Hazardous Liquid Pipelines

Element #6: MOC & Communication of Change

Ref: 49 CFR 192.805(f), 195.505(f)

Updated: Feb 2009

6.1 General

Whenever the Company initiates changes in procedures or qualification requirements under this plan, the Company will communicate those changes to its affected employees and contractors. Examples of items that may require changes in this plan include but are not limited to:

- Modifications to company policies or procedures
- Significant changes in state or federal regulations
- Significant changes in company operations that may affect covered tasks
- Use of new equipment and/or technology that significantly affects covered tasks
- New information from equipment or product manufacturers that significantly affects covered tasks
- Agency safety alerts or audit findings
- Incident or accident investigations on pipeline facilities
- Use of other "entities" (non-company employees)
- Mergers, Acquisitions, or change of ownership

6.2 Program Review during Mergers, Acquisitions, or Change in Ownership

If a merger, acquisition, or change in ownership occurs, the company will initiate a management of change process and conduct a complete review of the all related programs from the company and merger companies. The review and MOC process will ensure that the programs are integrated and address programs elements including OQ qualifications, evaluations, assignment and performance of covered tasks during the merger, acquisition, or change of ownership.

All new employees performing covered tasks will be required to be qualified as required by this OQ plan documents before they conduct any covered tasks after the merger. If the new employees can not be qualified before performing the covered task, consideration will be given to shutting down the appropriate jurisdictional pipeline until qualifications can be completed.

6.3 Re-evaluation Criteria

Re-evaluation may be required if the changes affect the knowledge, skills and abilities required for the task. For example, if the Company purchases a new leak detection instrument, the Company will consider whether the new instrument is basically the same as the old instrument it replaces, in which case the Company only needs to communicate to the persons using the device that it has been replaced. If, however, the new instrument operates on a different principle than the one it is replacing, it may be necessary to retrain the persons using it, develop new evaluations for the new equipment and re-evaluate the persons using it.

Operator Qualification Plan

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Element #6: MOC & Communication of Change

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6.4 Communication Process and Timing

Significant changes affecting a covered task will be communicated to the individual(s) and contractors performing that task as soon as reasonably possible. This communication of change may be documented using the Company "Management of Change" procedures outlined in this manual or using various methods (email, FAX, letters, or appropriate means).

Significant Changes to be communicated to the individual(s) and contractors performing covered task are listed below:

- Modifications to company policies or procedures
- Significant changes in company operations that may affect covered tasks
- Use of new equipment and/or technology that significantly affects covered tasks
- New information from equipment or product manufacturers that significantly affects covered tasks
- Incident or accident investigations on pipeline facilities

6.5 Notification to OPS and/or State Agency

The company will notify the Administrator or a state agency participating with jurisdictional authority if the company significantly modifies the program after the OPS or state agency has verified that it complies with this section.

Submit the notification to the following address:

Pipeline Hazardous Materials Safety Administration (PHMSA)
U.S. Department of Transportation
PHP-10, 1200 New Jersey Ave. S.E.
Washington, DC 20590

The Company must keep a record of any notifications for future inspections since it is a required record.

Operator Qualification Plan
Gas and Hazardous Liquid Pipelines
Element #6: MOC & Communication of Change

Ref: 49 CFR 192.805(f), 195.505(f)

Updated: Feb 2009

6.6 Related References and Documents

1. 49 CFR 195.505(f), and 192.805(f)
2. Federal Register, Volume 64, pages 46853-46867, August 27, 1999
3. API #1161, Guidance Document for the Qualification of Liquid Pipeline Personnel, Section 5.7, page 10, 1st Edition, August 2000
4. OPS Frequently Asked Questions (FAQs), December 2008
5. PHMSA OQ Protocols, December 15, 2008
6. OPS Small System OQ Guide, page 7, April 2003
7. ASME B31Q-2006