

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

January 13, 2011

Mr. Steve Rusch  
Vice President  
Plains Exploration & Production Company  
5640 South Fairfax Ave.  
Los Angeles, CA 90056

**CPF 5-2011-0002**

Dear Mr. Rusch:

On October 12, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the applicable sections of 49 CFR Part 192 pertain to your Stocker gas gathering system. Our representative reviewed records at your Los Angeles, California office.

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

**1. §192.463 External corrosion control: Cathodic protection.**

**(a) Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in Appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.**

**(b) If amphoteric metals are included in a buried or submerged pipeline containing a metal of different anodic potential-**

**(1) The amphoteric metals must be electrically isolated from the remainder of the pipeline and cathodically protected; or**

**(2) The entire buried or submerged pipeline must be cathodically protected at a cathodic potential that meets the requirements of Appendix D of this part for amphoteric metals.**

**(c) The amount of cathodic protection must be controlled so as not to damage the protective coating or the pipe.**

Plains Exploration & Production Company (PXP) did not provide a level of cathodic protection (CP) that complies with the applicable criteria contained in Appendix D of Part 192.

The pipe to soil potential monitoring conducted by Farwest, PXP's contractor, identified insufficient levels of CP for the segment of the pipeline from the Packard drill site to the Inglewood processing plant.

Proposed Compliance Order

With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Plains Exploration & Production Company. 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 5-2011-0002** 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

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

cc: PHP-60 Compliance Registry  
PHP-500 H. Monfared (#128426)

## **PROPOSED COMPLIANCE ORDER**

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Plains Exploration and Production Company (PXP) a Compliance Order incorporating the following remedial requirements to ensure compliance with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the insufficient level of cathodic protection in the pipeline from the Packard drill site to the Inglewood processing plant, PXP must make sure the cathodic protection level meets the criteria contained in Appendix D of Part 192.
  
2. Plains Exploration & Production Company 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.