

JUNE 12, 2012

Mr. Richard Oringderff
President
Vintage Production California LLC
9600 Ming Avenue, Suite 300
Bakersfield, CA 93311

Re: CPF No. 5-2011-0005

Dear Mr. Oringderff:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and states that Vintage Production California LLC has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Mark Birk, Risk Manager Coordinator
Mr. Chris Hoidal, Director, Western Region, OPS
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

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| _____ |) | |
| In the Matter of |) | |
| |) | |
| Vintage Production California LLC |) | CPF No. 5-2011-0005 |
| |) | |
| Respondent. |) | |
| _____ |) | |

FINAL ORDER

On August 23-26, 2010, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Vintage Production California LLC (Vintage or Respondent) in Santa Paula, California. The Vintage system is composed of oil and gas producing properties located primarily in the Ventura, San Joaquin, and Sacramento basins.¹ Vintage is a subsidiary of Occidental Petroleum Corporation.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated January 14, 2011, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Vintage violated 49 C.F.R. § 192.457 and proposed ordering Respondent to take certain measures to correct the alleged violation.

FINDING OF VIOLATION

In its Response, Vintage did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192.457, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.457, which states in relevant part:

§ 192.457 External Corrosion control: Buried or submerged pipelines installed before August 1, 1971.

(a) Except for buried piping at compressor, regulator, and measuring stations, each buried or submerged transmission line installed before

¹ <http://www.oxy.com/OurBusinesses/OilAndGas/UnitedStates/Pages/Vintage.aspx>.

August 1, 1971, that has an effective external coating must be cathodically protected along the entire area that is effectively coated, in accordance with this subpart. For the purposes of this subpart, a pipeline does not have an effective external coating if its cathodic protection current requirements are substantially the same as if it were bare. The operator shall make tests to determine the cathodic protection current requirements.

(b) Except for cast iron or ductile iron, each of the following buried or submerged pipelines installed before August 1, 1971, must be cathodically protected in accordance with this subpart in areas in which active corrosion is found:

- (1) Bare or ineffectively coated transmission lines.

The Notice alleged that Respondent violated 49 C.F.R. § 192.457 by failing to install cathodic protection on a partially coated, buried transmission line that was installed prior to August 1, 1971. Specifically, the Notice alleged that Respondent's line, which runs from the Santa Clara Valley Gas Plant to the SoCal pipeline, is partially coated with polyken tape and fusion bonded epoxy (FBE) and is therefore required to have cathodic protection.

Respondent did not contest this allegation of violation.

Section 192.457 requires buried transmission lines with effective external coating to be cathodically protected. I find that this transmission pipeline was partially coated with polyken tape and FBE and therefore was required to have cathodic protection. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.457 by failing to install cathodic protection on a buried, partially coated transmission pipeline.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 192.457. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under Chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 192.457 (**Item 1**), Respondent has provided evidence that Respondent has installed cathodic protection on the pipeline. Respondent provided both rectifier and anode bed data and pipe-to-soil potentials taken after installation.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued