

WARNING LETTER

CERTIFIED MAIL [7006 3450 0001 7095 3361] - RETURN RECEIPT REQUESTED

July 6, 2012

Mr. Keith Wenal
HES Manager
Venoco, Inc.
6267 Carpinteria Ave., Suite 100
Carpinteria, CA 93013-1423

CPF 5-2012-0017W

Dear Mr. Wenal:

On September 26-30, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your offshore natural gas pipeline that extends from Platform Grace to the Venoco Oil & Gas Processing Plant near the city of Carpinteria, California.

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. **§192.605 Procedural manual for operations, maintenance, and emergencies.**
 - (b) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**
 - (8) **Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found.**

At the time of the inspection, records were not available to show compliance with the requirement to periodically review personnel work to confirm the effectiveness of normal O&M procedures since 2008.

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 item(s) identified in this letter. Failure to do so will result in Venoco, Inc. 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 5-2012-0017W**. 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 J. Kenerson (#132927)