

NOTICE OF AMENDMENT

VIA UPS 2ND DAY AIR: 1Z WR2 588 02 9652 1472

October 24, 2012

Mr. Timothy Friesenhahn
Vice President of Operations Permian Division
XTO Energy Inc.
810 Houston St.
Fort Worth, Texas 76102

CPF 5-2012-6016M

Dear Mr. Friesenhahn:

On October 1, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected XTO Energy Inc.'s (XTO) procedures and records for its Public Awareness Program in Anchorage, Alaska via teleconference.

On the basis of that inspection, PHMSA has identified the following apparent inadequacies found within XTO's plans and procedures, as described below:

1. §195.440 Public Awareness

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

XTO's public awareness program does not include the size and number of tanks at XTO's Nikiski tank farm or inform stakeholders that the natural gas transported is unodorized.

2. §195.440 Public Awareness

(d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

- (1) Use of a one-call notification system prior to excavation and other damage prevention activities;**
- (2) Possible hazards associated with unintended releases from a hazardous liquid or carbon dioxide pipeline facility;**
- (3) Physical indications that such a release may have occurred;**
- (4) Steps that should be taken for public safety in the event of a hazardous liquid or carbon dioxide pipeline release; and**
- (5) Procedures to report such an event.**

The Operator Mailing and handouts need to state the following information:

- Hazards of an unintended release of Natural Gas or Crude oil;
- The physical indications of a release;
- Steps that need to be taken for public safety;
- Procedures to report a release.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 90 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that XTO Energy Inc. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Dennis Hinnah, Deputy Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2012-6016M** and send all documents to our

office at 188 W. Northern Lights Blvd., Suite 520, Anchorage, AK 99503. For each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dennis Hinnah
Deputy Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 B. Flanders (#139754)
Richard Golemon, XTO DOT Compliance Coordinator

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*