

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 22, 2016

Mr. Charlie Plant  
VP Operations  
California Resources Corporation  
111 W. Ocean Blvd, Suite 800  
Long Beach, CA 90802

CPF 5-2016-0028W

Dear Mr. Plant:

On July 25, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Santa Clara Valley Pipeline system in Ventura, 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. **§192.613 Continuing surveillance**
  - (a) **Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operations and maintenance conditions.**

California Resources Corporation (CRC) failed to take appropriate action concerning unusual maintenance condition of the Santa Clara River pipeline crossing in Ventura. During the field

inspection of your pipeline facilities in Ventura, it was noted that high grass, weeds, brushes, and tall trees obstructed visual observation of the pipeline right-of-way (ROW) crossing the Santa Clara River. The river was dry, but it would be very difficult to try to walk down to the pipeline crossing ROW. California Resources Corporation (CRC) personnel said it is about 1000 feet wide for the crossing. Same condition was observed from both sides of the river crossing at the line marker on each side of the river.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 identified in this letter. Failure to do so will result in CRC 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 5-2016-0028W**. 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 P. Nguyen (#153487)