

February 1, 2016

Chris Hoidal, Director, Western Region
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: CPF 5-2016-7001S -- Notice of Proposed Safety Order -- Freeport-McMoRan Oil and Gas (FM O&G), Platform Irene to Lompoc Oil & Gas Facility Pipeline

Dear Mr. Hoidal,

In response to, and in accord with, the subject Notice of Proposed Safety Order (Notice), FM O&G requests an informal consultation process as soon as practical to explain the circumstances associated with the allegations in the Notice and to present our proposed work plan and schedule.

We reviewed the Notice and its proposed corrective measures and only take issue with Condition No. 2 which requires a shutdown of our pipeline by March 1, 2016. FM O&G would support a consent agreement that includes all of the conditions in the Notice with the exception that this deadline be changed to April 29, 2016. We are prepared to justify this request during the consultation.

The key discussion items we plan to cover during the consultation are noted below. We will be prepared to provide additional details as well as any other relevant information you may require at that time.

- Integrity assurance briefing
 - Current service of the three Point Pedernales pipelines
 - 20-inch oil line integrity
 - Inspection history
 - Correspondence from FM O&G to PHMSA (6/8/15 and 10/15/15, attached)
 - 8-inch gas line integrity
 - Inspection history
 - Discuss options and decisions to ensure current/future integrity

- Change of service project
 - Schedule/Completed items
 - Multi-agency approval process completed: 8/15 – 10/15
 - Engineering work completed: 12/18/15
 - Piping fabrication work completed for platform Irene and Lompoc Oil & Gas Plant (LOGP): 10/29/15 and 11/5/15 respectively
 - Mobilizations/Demobilizations of dive crew to install clamps on 8-inch pipelines
 - On and off station multiple times due to weather: 11/11/15 – 11/26/15
 - Installed clamp on 8-inch gas line but unable to seal due to bend in pipe: 11/27/15 – 11/30/15
 - Mobilizations/Demobilizations of divers to obtain required laser survey measurements for custom clamp
 - On and off station multiple times due to weather: 12/1/15 – 12/30/15
 - Divers complete laser survey measurements for custom clamp: 1/1/16
 - Conversion of laser survey data to AutoCAD: 1/4/16 – 1/21/16
 - Vendor begins manufacturing of clamp: 1/18/16
 - Items remaining and estimated dates
 - Completion of clamp manufacture: 3/11/16
 - Clamp delivery and mobilization of dive crew: 3/11/16 – 3/14/16
 - Clamp installation: 3/14/16 – 3/25/16
 - Weather contingency: 3/25/16 – 4/15/16 (based on experience during previous diver mobilizations)
 - Final approval to change pipeline service upon successful clamp seal test: earliest 3/25/16, with maximum weather contingency 4/15/16
 - Shut-in to install piping at platform Irene and LOGP: earliest 3/28/16, with maximum weather contingency 4/29/16
 - Begin production with reconfigured facilities and pipelines in new service: earliest 4/8/16, with maximum weather contingency 4/29/16
- Any other information to support a PHMSA decision to modify Condition No. 2 of the Notice in order to allow completion of the change of service project and avoid an agency induced shut-down of the Point Pedernales Project.

- Next steps in process.
 - Expected time for PHMSA decision
 - PHMSA notice to FM O&G of conclusion of Consultation to start 10 day clock with which to appeal to the Associate Administrator and request an administrative hearing.
 - Process and expected time for written consent agreement or issuance of safety order.

Please contact me at (805) 934-8220 at your earliest convenience to schedule the consultation.

Sincerely,



Thomas B. Goeres
Operations Manager

Attachments

Copy: Terry Larson
Steve Rusch
David Rose
Kurt Koerner