

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 31, 2009

Mr. Charles Meurer, Vice President
Mustang Pipeline Partners
Joint Venture Manager
800 Bell Street
PL-EMB-647I
Houston, Texas 77002

CPF 3-2009-5014W

Dear Mr. Meurer:

On November 17-21, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your 18-inch diameter Lockport to Patoka crude oil pipeline in Patoka, Illinois.

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 items inspected and the probable violation(s) are:

1. 195.420 Valve Maintenance.

(b) Each operator shall, at intervals not exceeding 7½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

Mustang Pipeline Partners failed to inspect each mainline valve, at least twice each calendar year to determine that the valve was functioning properly. Mustang Pipeline Partners inspected two mainline valves, Valve 1 (MP 54.50) and Valve 17 (MP 45.51), on only one occasion during calendar year 2006 to determine that the valves were functioning properly.

This probable violation is based on Mustang Pipeline Partners DOT Mainline Valve Inspection Records. These records indicate Mustang Pipeline Partners inspected Valve 1 and Valve 17 on May 26, 2006. To comply with 195.420 (b) one additional inspection of Valve 1 and Valve 17 was required prior to the close of calendar year 2006.

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 Mustang Pipeline Partners 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 3-2009-5014W**. 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,

Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration