Occidental Oil and Gas Corporation
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June 26, 2008

RE: 30-Day Response to OPS Notice of Amendment – CPF No. 4-2008-5

R. M. Seeley, Director Southwest Region
Office of Pipeline Safety
Southwest Region
8701 South Gessner Road
Suite 1110
Houston, Texas 77074

Dear Mr. Seeley:

On behalf of Occidental Oil and Gas Corporation (OOG) Health, Environment, Safety and Security, OXY USA, Oxy Long Beach Incorporated, Occidental of Elk Hills Incorporated, Tidelands Oil Company, Vintage Production California and Occidental Permian Limited, the OOG Pipeline Integrity Management Plan (IMP) has been amended to address the items identified during the August 2007 OPS inspection. The resolved status of the items are as follows:

Item No. 1 *OOG must incorporate Tidelands and Sespe pipeline systems acquired in early 2006 into the IMP. Both pipeline systems were following California State Fire Marshall hydrostatic testing plans, but were not completely incorporated into the OOG IMP.*

Status: The integrity of the three Tidelands segments had been confirmed by pressure tests (as required by California State Fire Marshall) as follows:

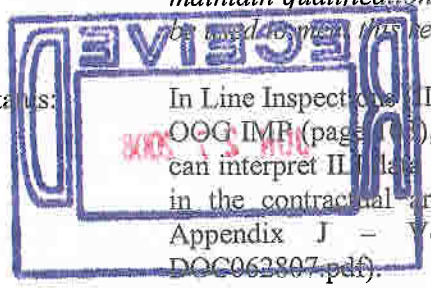
- (0795) 8" XY Tank Farm to B&M 2/22/2007
- (0747) Z1-2 Tank Farm to ZWP Manifold 11/09/2004
- (1026) 6" ZWP Manifold to B&M 2/28/2007

The Tidelands segments have been integrated in the OOG IMP and will be monitored as required by this plan. A copy of the updated OOG Baseline Assessment Plan (BAP) is shown as Attachment A, illustrating the results of incorporating this information into the OOG IMP.

The integrity of the Sespe system had been confirmed by pressure test (as required by California State Fire Marshall) on 10/25/2005. The Sespe crude oil transmission pipeline was sold by Vintage Production California, effective April 25, 2008, thus it will no longer be incorporated in the OOG IMP.

OOG now utilizes the HES Quality Assurance /Quality Control process to identify which newly acquired assets are under the jurisdiction of 49 CFR Part 195. Each OOG Asset is required to conduct screening and determine which federal regulations apply to newly constructed facilities, including pipeline systems and appurtenances. These processes are being used to identify facilities that should be analyzed for impacts to HCA's.

Item No. 2 *OOG must modify their procedure to provide detail for how analysts who review integrity assessment results and individuals performing information analysis will achieve and maintain qualification, training and skills improvement. Current industry standards may be used to meet this requirement.*



Status: In Line Inspection (ILI) will only be performed by qualified contractors. As stated in the OOG IMP (page [illegible]), only analysts who are qualified according to ASNT ILI-PQ-2005, can interpret ILI data on behalf of OXY. This requirement is demonstrated and enforced in the contractual arrangements with each ILI vendor (examples can be found in Appendix J – Vendor Documentation and Procedures; GE Qualifications DOC062807.pdf).

The IMP Lead or IMP Team member who performs ECDA analysis must be qualified to perform the task according to RP0502 §1.1.11. All ECDA projects will be supervised by an "IMP Lead" who will comply with the qualification requirements of section 1.1.11 of NACE RP0502-2002 "Pipeline External Corrosion Direct Assessment Methodology".

Item No. 3 *OOG must further refine its definition of date of discovery and establish when adequate information about condition of a pipeline segment has been received to determine if it presents a potential threat to the integrity of the pipeline. OOG must also ensure that when immediate repair conditions are discovered a pressure reduction is taken and the conditions are promptly addressed.*

Status: The criteria for determining the severity of the condition has been amended and now is defined in the OOG IMP in pages 128-130. The process flow chart, shown as Attachment B, has been added to page 126 of the OOG IMP to help participants understand the importance of protecting pipelines with immediate repair conditions.

The process includes the following steps (summarized here):
OOG Assets receive inspection results of an integrity assessment within a reasonable time, so as not to compromise the integrity of the pipe segment but no later than 180 days after completion of the assessment. It will be the responsibility of the OOG SME to confirm correlations within 5 days of receipt of the vendor determination that a repair condition exists.
The ILI vendor uses tools specified by OOG. The contractual agreement for each ILI project will include the specifications for the tool to be used. The vendor is required to provide qualified personnel to interpret the results obtained by their specified tool. If the vendor's analyst determines there is an imminent threat to the integrity of a pipe segment, they will report the threat to the OOG Asset immediately. The vendor provides OOG with information that identifies and categorizes all anomalies, including the location distance from start of data; type of feature detected; if appropriate, wall thickness, depth, length and angle of the feature (position); as well as whether the feature is external or internal. If a previous ILI has been completed for the segment, OOG may use additional services (such as RunCom with PII) provided by the vendor to estimate anomaly rates of growth, which may be further used to determine re-inspection or repair requirements. Remaining strength calculations will be performed to determine appropriate operating pressures, if the Asset elects to lower operating pressure to protect the pipe.

Item No. 4 *OOG must revise their risk analysis process to include a requirement for the periodic updating of the risk analysis with the most current and accurate information. The process must include a periodic review and updating of the risk weighing factors to ensure that the risk weighing factors are accurately determined. Incomplete or inaccurate risk factors in the risk algorithm may result in the assignment of inappropriate weighted risk scores and distort risk rankings of pipeline segments.*

Status: The OOG Pipeline IMP (PLIMP) community of practice (CoP) met for its Annual Review of the Risk Algorithm on October 24-25, 2007. The CoP and OOG SME's determined that modifications needed to be made to the OOG algorithm to include mitigative and resistive characteristics of segments. These modifications to the algorithm will be included in the next BAP calculation to be performed for 2008. The ongoing integration of relevant data follows the work flow described in Attachment C, which has been inserted on page 141 of OOG IMP.

Item No. 5 *OOG must identify additional performance metrics to monitor the effectiveness of their IMP program. The current methods and metrics used by OOG to evaluate performance of their IMP must be customized to reflect the specific characteristics of OOG's pipeline system. This process must require annual evaluation of the metric to enable trends to be identified and changes made when appropriate.*

Status The OOG SME's selected the following Performance Measures to be used to monitor the progress of IMP implementation on an annual basis:

- The *number of Locate Requests* that required a response to mark the location of OOG facilities.
- The *number of exceptions* that are found during annual Cathodic Protection Test Station readings.
- The *number of leaks* from jurisdictional pipe facilities, by root cause category (i.e., Threat Category)
- The *number of times pipe is found exposed* due to ground movement (mud slides, tsunami's, blowing sand, moved off of pipe support due to movement, etc.).
- *Number of Changes to OOG written plan* required by agency inspections.

The data will be collected by the OOG PLIMP coordinator and will be reviewed at each Annual Review meeting.

Item No. 6 *OOG's process for investigating incidents, referred to in Section 8 of their IMP manual, must be described in more detail. The near miss and root cause analysis process needs to ensure that pipeline integrity threats and consequences identified as a result of lessons learned and accident root cause analysis are integrated within the IMP.*

Status The following clarification has been included on page 289 of the OOG IMP:

"Incidents and Near Miss events that occur to pipeline facilities included in the OOG IMP will be investigated using the System Improvements Equifactor event tree analysis with the TapRooT^{R} documentation software. This provides OOG with a formal methodology, training program and software that can be used consistently to comply with OOG HES Incident Reporting and Investigation Standard (60.400.0500).

OOG will also comply with incident reporting requirements with the use of Form PHMSA F 7000-1 for any accident that meets the criteria in 49 CFR §195.50, as soon as practicable, but not more than 30 days after the accident. Hazardous liquid releases during maintenance or other routine activities need not be reported if the spill was less than 5 barrels, not otherwise reportable under 49 CFR §195.50, and did not result in water pollution as described by 49 CFR §195.52(a)(4). Any spill of 5 gallons or more shall be reported. These reports shall be submitted to:

Office of Pipeline Safety
Information Resources Manager
1200 New Jersey Ave., SE
East Building, 2nd Floor, (PHP-10)
Room Number E22-321
Washington, D.C. 20590"

The following statement has been added to page 292 of the OOG IMP, regarding the use of investigation information:

"The lessons learned and root cause analysis results of investigations required by this IMP will be utilized during Annual Review meetings to improve integrity management."

If you would like to meet to discuss these issues further, please contact Trent Adcock at (713)366-5327.

Regards,

W. R. S

Wesley Scott
Vice President,
Health, Environment, Safety & Security
Occidental Oil & Gas

Attachment A - Updated BAP (as of 8/3/2007)

2007 Baseline Assessment Plan (Ranked by ROF)

Rank	Segment Name	System	Length (mi)	Max ROF	LOF	COF	HCA Types	HCA Length (mi)	Above Comparison Criteria	HCA Cumulative %	Baseline Assessment Date	Integrity Assessment Date
1	GJ-6 12" Oil	THUMS	1.09	29.31	3.95	7.42	HPA, OPA, ESA	1.09	100.00%	1.21%	12/07/2001	10/01/2008
2	JL-1 20"/16" Wet Gas	THUMS	2.58	29.01	4.13	7.02	HPA, NW	2.58	100.00%	4.07%	08/01/2005	08/01/2005
3	JBM 24" Crude	THUMS	1.88	27.56	3.86	7.14	HPA, NW	1.88	100.00%	7.36%	08/03/2002	11/18/2005
4	GJ-2 12" Wet Gas	THUMS	1.15	25.59	4.06	6.30	HPA, OPA, ESA, NW	1.15	100.00%	9.85%	12/07/2001	11/13/2004
5	8" XY Tank Farm to B&M Act (0795)	Tidelands	0.98	22.47	3.65	6.16	HPA	0.98	100.00%	10.93%	03/19/2002	02/23/2007
6	Sespe 4" Crude	VPC	8.20	21.48	4.60	4.67	HPA, OPA, ESA, DW	4.13	50.34%	15.51%	10/29/2005	10/25/2005
7	WB-5 12" Gas	THUMS	1.47	21.06	3.92	5.37	OPA, ESA, NW	1.47	100.00%	17.14%	12/07/2001	11/13/2004
8	WB-4 12" Reserve	THUMS	1.47	20.17	3.84	5.26	OPA, ESA, NW	1.47	100.00%	20.40%	12/07/2001	11/13/2004
9	WB-2FI 12" Oil	THUMS	1.47	17.11	3.26	5.26	OPA, ESA, NW	1.47	100.00%	22.03%	12/07/2001	10/01/2006
10	J2-J6 24" Emergency Oil	THUMS	0.05	16.96	2.88	5.89	HPA, NW	0.06	100.00%	22.09%	01/24/2002	01/24/2002
11	FW-2 8" Oil	THUMS	0.63	16.66	4.16	4.00	OPA	0.63	100.00%	22.79%	12/07/2001	10/01/2006
12	(23A-0014)BV8 - Denver City	Bravo	115.07	15.93	3.44	4.63	OPA, DW	13.33	11.60%	37.57%	11/09/2005	11/09/2005
13	21-2 Tank Farm to ZWP Manifold (0747)	Tidelands	0.92	15.85	2.76	5.74	HPA	0.92	100.00%	38.59%	11/09/2004	11/09/2004
14	J2-J6 16" Emergency Oil	THUMS	0.08	15.45	2.62	5.89	HPA, NW	0.08	100.00%	38.68%	01/24/2002	11/30/2005
15	(23A-0014)Bravo Dome - BV8	Bravo	102.76	15.11	3.12	4.84	ESA, DW	12.96	12.61%	53.05%		null
16	6" ZWP Manifold to B&M Act (1026)	Tidelands	0.37	14.90	2.60	5.74	HPA	0.37	100.00%	53.46%	04/09/2001	02/28/2007
17	FW-5 8" Reserve	THUMS	0.63	13.61	4.09	3.33	OPA	0.63	100.00%	55.74%	12/07/2001	11/13/2004
18	CW-2 8" Reserve	THUMS	1.43	13.45	3.91	3.44	OPA	1.43	100.00%	57.33%	12/07/2001	11/13/2004
19	FW-3 6" Gas	THUMS	0.63	13.38	4.02	3.33	OPA	0.63	100.00%	58.03%	12/07/2001	10/01/2006
20	Denver City to Welch 14"	ESTE	45.72	12.14	3.09	3.93	OPA, DW	4.05	8.86%	63.22%		null
21	JL1-BM 16" Wet Gas	THUMS	0.14	11.81	2.26	5.23	HPA, NW	0.14	100.00%	63.37%	11/03/2005	11/03/2005
22	(23A-007) Anton - Irish 8" Lateral	Bravo	46.98	10.82	2.74	3.95	DW	2.45	5.21%	66.09%	11/30/2004	11/30/2004
23	(23A-005) Bravo P/L Slaughter Lat	Bravo	1.30	10.76	3.65	2.95	DW	0.55	42.31%	66.70%		null
24	BMP2 2" Oil - Wet Gas	THUMS	0.26	10.37	2.03	5.10	HPA, NW	0.26	100.00%	66.99%	10/25/2002	10/25/2002
25	CW-7 8" Oil	THUMS	1.43	10.29	3.09	3.33	OPA	1.43	100.00%	68.57%	12/07/2001	10/01/2006
26	CW-8 8" Oil - Wet Gas	THUMS	1.43	8.68	3.14	2.77	OPA	1.43	100.00%	70.16%	12/07/2001	11/13/2004
27	Elk Hills 3"	Elk Hills	10.63	7.57	2.75	2.75	ESA	10.62	99.91%	81.94%	06/29/2001	08/05/2006
28	Elk Hills 4"	Elk Hills	10.63	7.36	2.81	2.62	ESA	10.62	99.91%	93.71%	06/28/2001	08/05/2006
29	Denver City to Mallet 12"	Slaughter	38.11	6.91	2.74	2.52	DW	2.41	6.32%	96.38%	03/16/2007	02/16/2007
30	Woodley Lateral 12"	Slaughter	5.39	6.37	2.63	2.42	DW	3.26	60.48%	100.00%	12/15/2006	12/16/2006
		System Total =	404.88	[illegible]	[illegible]	[illegible]		84.47	[illegible]			

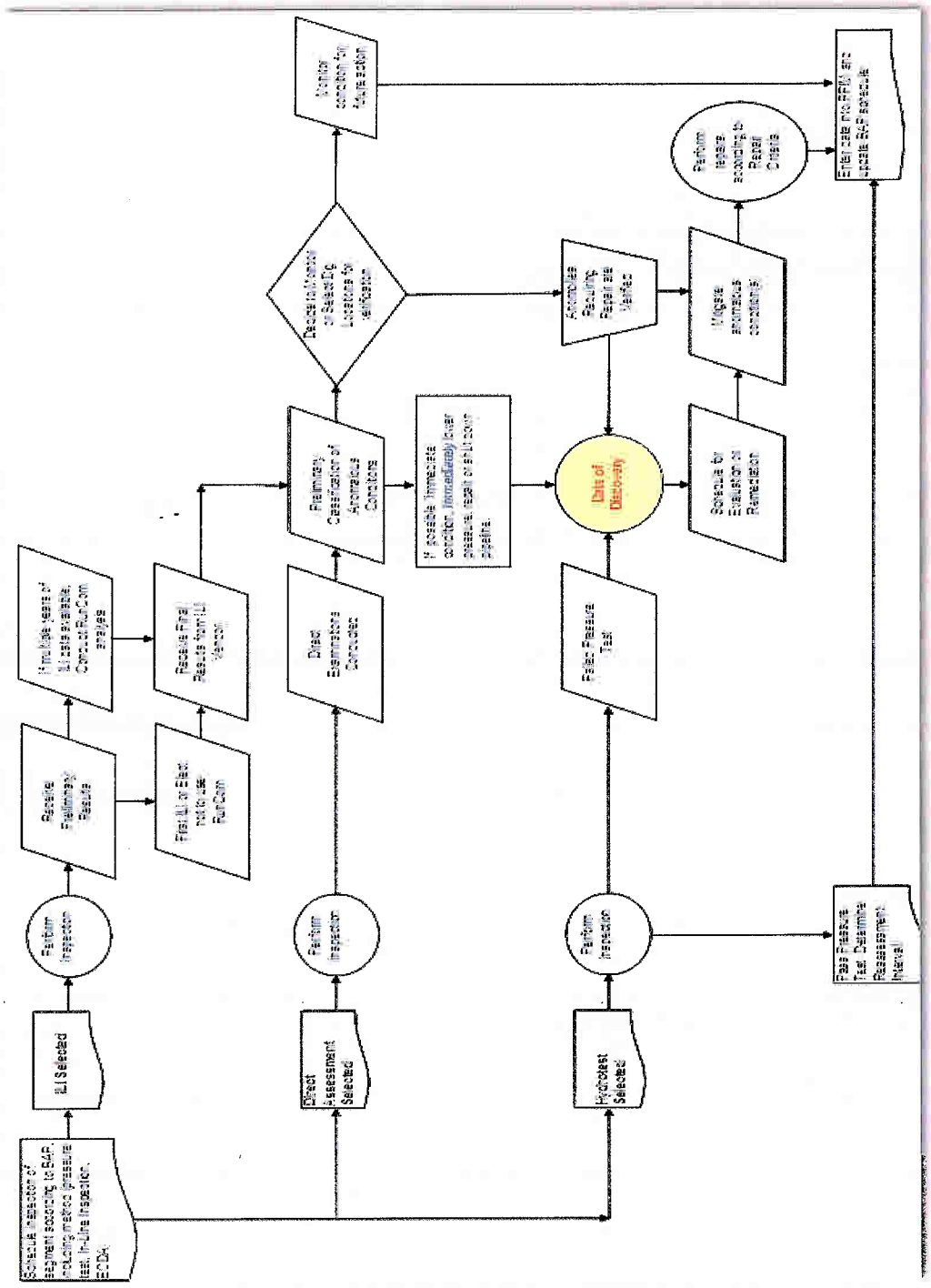
Average Values

BAP Sorted on Max Risk of Failure Score

Legend:
ILI = In-Line Inspection
PT = Pressure Test
UT = Ultrasonic
GAU = ILI Gauging Tool
DEF = ILI Deformation Tool
MFL = ILI High Resolution Magnetic Flux Leakage Tool

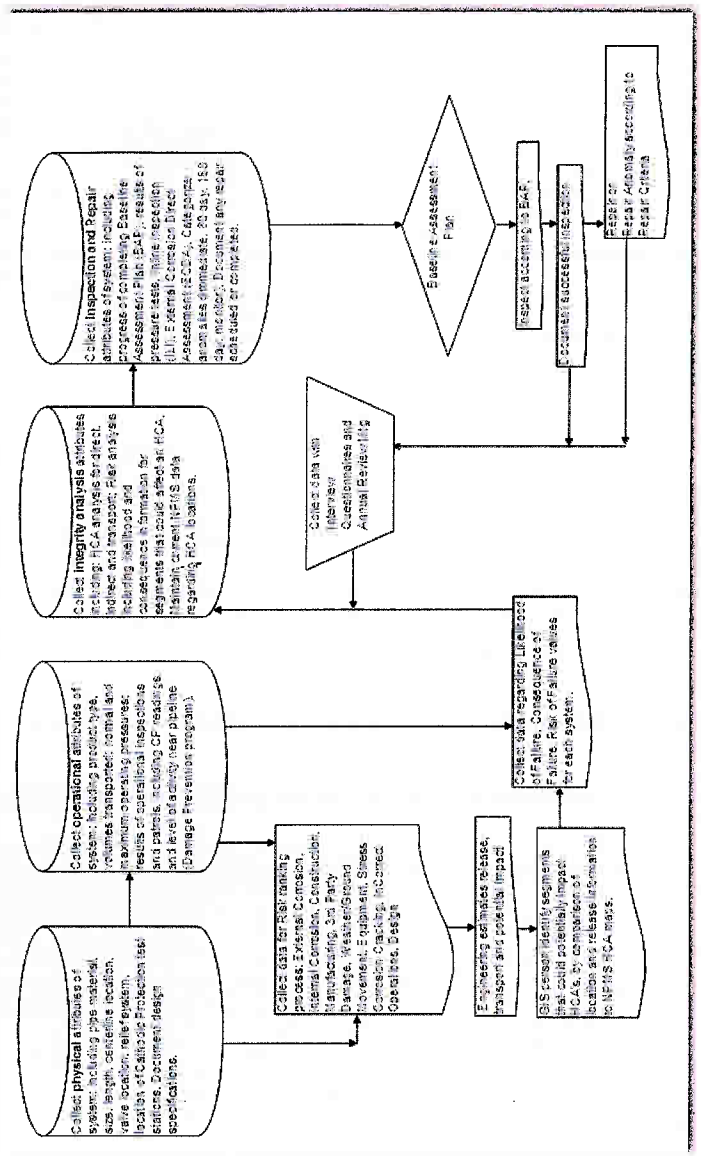
This snapshot of the OOG BAP (dated August 3, 2007), illustrates the integration of Tidelands and the VPC Sespe pipeline into the OOG IMP. The Sespe pipeline was subsequently sold and has been removed from the OOG BAP.

Attachment B – Date of Discovery



This excerpt from page 127 of the OOG IMP illustrates the process OOG will utilize to determine the Date of Discovery, using ILI, Direct Assessment or Pressure Testing.

Attachment C – Data Integration



This excerpt from page 141 of the OOG IMP illustrates the process of collecting and updating data that will be used in the maintenance of the Risk Management database and algorithm.