

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 13, 2011

Mark Shires
Vice President of Operations
Plains Marketing, L.P.
Route 1, Box 596
Cushing, OK 74023

CPF 4-2011-5010

Dear Mr. Shires:

From May to July 2011 a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code followed up on Plains' written accident reports. Specifically, we reviewed a hazardous liquid accident that occurred on September 12, 2010 in St. James Terminal, St. James, LA.

As a result of the accident investigation, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The probable violations are:

1. **§195.52 Telephonic notice of certain accidents**
(a) At the earliest practicable moment following discovery of a release of the hazardous liquid or carbon dioxide transported resulting in an event described on §195.50, the operator of the system shall give notice, in accordance with paragraph (b) of this section.

Plains Marketing, L.P. (Plains) did not make a telephonic notice at the earliest practicable moment following an accident that met the reporting criteria. The operator had an accident at St. James terminal in St. James, Louisiana on September 12, 2010. The operator originally estimated their cost under \$50,000. One week later the operator amended their estimate above the \$50,000 threshold, but Plains did not make the required telephonic notification.

2. **§195.54 Accident reports.**
(a) Each operator that experiences an accident that is required to be reported under §195.50 shall as soon as practicable, but not later the 30 days after discovery of the accident, prepare and file an accident report on DOT Form 7000-1, or a facsimile.

Plains Marketing, L.P. did not file an original report within 30 days discovery of an accident that is required to be reported. The operator had a hazardous liquid accident at St. James terminal in St. James, Louisiana on September 12, 2010. The operator did not file an original report until January 12, 2011 which is 4 months following the accident.

Proposed Civil Penalty

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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$ 10,000 for item 2.

Warning Items

With respect to item 1 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 promptly correct these item(s). Be advised that failure to do so may result in Plains being subject to additional enforcement action.

Response to this Notice

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.

In your correspondence on this matter, please refer to **CPF 4-2011-5010** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

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