Vintage Production California LLC
A subsidiary of Occidental Petroleum Corporation

Via Express Mail

June 17, 2009

Mr. Chris Hoidal,
Western Region Director
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

RE: Notice of Amendment (CPF 5-2009-0012M)

Dear Mr. Hoidal:

Vintage Production California LLC (VPC) received on Jun 9, 2009 the referenced Notice of Amendment (CPF 5-2009-0012M) regarding VPC O&M plans and procedures. The Notice indicated that the PHMSA representative identified two (2) apparent inadequacies within VPC O&M Plans or Procedures:

1. In regard to item number 1 of the Notice, pertaining to Addressee for written reports, "Vintage reporting procedures contain the wrong address for submitting annual reports. The correct PHMSA address is "Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, PHP-10, 1200 New Jersey Avenue S.E., Washington, D.C."

Response:

VPC has corrected the OQ manual indicating the correct address for submitting reports. Appendix A contains the procedures where the address was changed:

- Section 1.01 Reporting and Control of Accidents
- Section 1.04, Annual Reports

2. In regard to item number 2 of the Notice, pertaining to Welding Procedures, "Vintage does not specify in its O&M manuals what section and edition of API 1104 must be used to qualify its welding procedures. The manuals did not explicitly reference the appropriate industry standard that will be used to qualify Vintage's welding procedures. The latest welding standards, referenced in our Federal Regulation (5192.7), are the 20th Edition of API 1104, or the ASME Boiler and Pressure Vessel Code (2004 Edition). The proper reference standard is also required to qualify pipeline welding procedures and subsequent qualification of welders ($192.225) and weld testing procedures (5192.241)."

Response:

VPC has made corrected the OQ manual and referenced the appropriate industry standard edition to qualify Vintage's welding procedure. Appendix B contains the welding procedure (procedure 9.06) with the specific standard to be used for welding qualifications with the addition of the API 1104 (20th Edition)

Please contact me at (661) 869-8072 to answer any questions you may have.

Sincerely,

Duane Dudics, PE
HES Manager
Vintage Production California LLC

cc: A. Herrera (VPC)
H. Monfared (PHMSA)
R. Oringderff (VPC)
B. Zimmermann (Oxy)

APPENDIX A

REPORTING AND CONTROL OF ACCIDENTS

1. REFERENCE

49 CFR, Sections 191.1, 191.3, 191.5, 191.7, 191.15, and 191.19.

2. PURPOSE

The purpose of this procedure is to establish responsibilities for activities associated with certain pipeline facility incidents. These activities include, but are not limited to, incident control, repair, reporting, investigation and documentation.

3. RESPONSIBILITY FOR IMPLEMENTATION

The (1)_____ is responsible for reporting and documentation of pipeline facilities incidents.

4. INCIDENT CRITERIA

Incidents which meet the Criteria listed below shall be reported and controlled under this procedure.

4.1 An event that involves release of flammable, toxic or corrosive gas from a pipeline facility and resulting in:

4.1.1 A death or personal injury requiring in-patient hospitalization of an employee or member or the public.

4.1.2 Estimated damages of $50,000 or more. Estimated damages include value of gas lost, Company repair cost, cost of temporary measures, and damage to property of others. If in doubt, report the incident to the (2) _____.

4.2 The occurrence of a rupture of a pipe or component which allows a gas release requiring the isolation and blowdown of the facility.

4.3 Any incident for which a regulatory agency inquiry may result due to such things as media coverage, proximity to major metropolitan areas, evacuation of buildings, traffic diversion or loss of service to a community.

4.4 Any incident which is significant in the judgment of the (3)_____ (even though it did not meet the above-mentioned Criteria).

5. GENERAL

5.1 For natural gas transmission incidents involving regulated (refer to Procedure 1.04 for the definition of regulated lines) pipelines and satisfying the Incident Criteria, the U.S. Department of Transportation must be notified.

5.2 The Incident and Service Interruption Report from (Form 1.01B) is a check list intended to assure accurate conveying and recording of information transmitted by telephone. Copies should be included in the system specific Emergency Plan and be made readily available to personnel who may report or receive reports of incidents. It is recognized that only limited details will probably be available when the initial call on an incident is made.

5.3 For all incidents where liability is in question, the (4)_____ will:

5.3.1 Review planned responses to outside parties, such as government agencies, outside investigators, and attorneys for information.

5.3.2 Provide advice regarding press releases.

5.3.3 Review all reports and the final report to management.

5.4 Chart 1.01A is a flow sheet to illustrate the sequence of incident notification.

6. PROCEDURE

6.1 Company First Responder responsibilities include the following:

6.1.1 Establish initial control of each incident.

6.1.2 Immediately after initial control is established and a preliminary assessment or conditions can be made, call the (5)_____, if not present at the location, and report those incidents meeting one of the Incident Criteria.

6.2 (6)_____ responsibilities include the following:

6.2.1 Receive telephone reports of those incidents meeting one of the above-listed Incident Criteria. Communicate the situation to designated people within the District Office.

6.3 The (7) _____ responsibilities include the following:

6.3.1 Coordinate all on-site activities including such things as repair, preservation of evidence and materials, internal reporting and documentation of events and actions.

6.3.2 Secure the site and maintain undisturbed if possible, until the appropriate Company representative is on site. If the site cannot be left undisturbed, document the site and incident details and preserve the site and details as indicated in the appropriate system specific Emergency Plan or in Investigation of Failure and Accidents (Procedure 1.03).

6.4 The (8) _____ responsibilities including the following:

6.4.1 Documentation and/or investigation of incidents as necessary to meet operational requirements. Use the Incident and Service Interruption Report form as a reference for the information to be reported (Form 1.01B). Submit Form 1.01B to the (9) _____ as soon as possible (see 6.7.6).

6.4.2 ~~Arrange for interviews of employees as required~~.

6.5 The (10) _____ responsibilities including the following:

6.5.1 The (11) _____ shall arrange for the shipment or materials or evidence to specified locations.

6.5.2 Arrange for outside professional services to assist in an investigation (e.g., corrosion specialist, land surveyor, metallurgist, or welding engineer) if deemed necessary.

6.5.3 Analyze field data collected, operating history of facility and results of lab testing to establish cause of failure or condition and write reports as necessary.

6.5.4 Provide recommendations for operational changes or facility modifications as appropriate.

6.6 The (11B) _____ shall review written recommendations for operational procedure changes prior to issuing for field use.

6.7 The (12) _____ responsibilities include the following:

6.7.1 Evaluate reportability in conjunction with legal staff, if appropriate.

6.7.2 Report incidents to Federal and State safety and regulatory agencies within one to two hours of discovery. The report shall be made by telephone to (800) 424-8802 (National Response Center - NRC) and shall include the following information.

CAUTION: Anything that is said or written to the NRC becomes evidence in an "incident".

6.7.2.1 Name(s) of person(s) making report and their telephone numbers.

6.7.2.2 The location of incident.

6.7.2.3 The time of the incident.

6.7.2.4 The number of fatalities and personal injuries, if any.

6.7.2.5 All other significant facts that are known to be relevant to the cause of the incident or extent of the damages.

6.7.3 ~~Obtain an incident identification number from the~~ NRC, ~~and complete all~~ required forms.

6.7.4 Receive requests for data, information or on-site investigation and respond to those requests after collaboration with other persons (Operations, Safety, Security, and Legal staff) as determined necessary or appropriate.

6.7.5 Provide on-site investigation of incidents meeting one of the Incident Criteria, on a case by case basis.

6.7.6 The (13) _____ will submit Department of Transportation Form RSPA F 7100.2 (for gathering and transmission line incidents) to the (14) _____ for review as soon as possible. The form must be forwarded to the (15) _____ to allow ample time for review prior to the DOT Deadline. The (16)_____ will submit the completed form as soon as practical but not more than thirty (30) days after detection of a reportable incident to DOT at the following address:

Information Resources Manager
Office of Pipeline Safety
Pipeline and Hazardous Material Safety Administration (PHMSA)
U.S. Department of Transportation, PHP-10
1200 New Jersey Avenue S.E.,
Washington, DC 20590

Note: All relevant cost must be included in the estimated property damage total on the initial written incident report as well as supplemental reports (see 6.7.7). This includes (but is not limited to) costs due to damage to the operator's facilities and to property of others, commodity/product not recovered, facility repair and replacement (including fittings used during repair which became permanently attached to the system), leak locating, right-of-way clean up and environmental clean up and damage. Facility repair, replacement or change that is not related to the incident but is done by the operator as a matter of convenience (for example, to take advantage of access to facilities unearthed because of incident) should not be included.

6.7.7 Where additional related information is obtained after a report is submitted, the (17) _____ shall submit a supplemental report using Form RSPA F 7100.2 as soon as practical, but no later than 30 days after acquiring the additional information, with a clear reference by date and subject to the original report.

6.7.8 For intrastate pipelines and in states where the state is an Agent for DOT, a report may be submitted in duplicate to the State agency if the regulations of that agency require submission of these reports. Also, provide a copy of the report to the DOT under the regulated time constraints stated within this procedure.

6.7.9 Submit copies of all incident reports (including supplemental reports) to other agencies, as required, and to the District Office.

7. RELATED PROCEDURES

1.02 Reporting of Safety Related Conditions
1.03 Investigation of Failures and Accidents
3.04 Preparation of an Emergency Plan
System Specific Emergency Plan

8. RECORDS

8.1 The (18) _____ will maintain the official files on incidents meeting one of the Incident Criteria that are reported to outside agencies.

8.2 Each file will be kept for the life of the pipeline. Legal department shall be contacted prior to destroying a file.

PIPELINE ANNUAL REPORTS

1. REFERENCE

49 CFR, Sections 191.1, 191.3, 191.7, 191.17, 191.19, and 192.1.

2. PURPOSE

The purpose of this procedure is to establish responsibilities for preparing and submitting of pipeline annual reports.

3. RESPONSIBILITY FOR IMPLEMENTATION

The (58) _____ is responsible to provide information required to fill out the pipeline annual report. The (59) _____ is responsible for reporting and documentation of pipeline annual reports for pipeline facilities.

4. REGULATED LINES:

4.1 Gas transmission lines, distribution lines, branch lines, sales lines, and associated facilities, such as compressor stations, meter stations, regulator stations, etc.

4.2 Onshore gas gathering lines inside of the following areas:

4.2.1 An area within the limits of any incorporated or unincorporated city, town, or village.

4.2.2 Any designated residential or commercial area such as a subdivision business or shopping center, or community development.

4.3 Offshore gas gathering pipelines downstream of the outlet flange of the structure on which the gas is first produced, separated, dehydrated, or processed.

4.4 On the OCS (Outer Continental Shelf) downstream of the point at which operating responsibility transfers from a producing operator to a transporting operator.

5. GENERAL

5.1 The (60) _____ is responsible for communicating information and data to State and Federal Agencies regarding pipeline annual reports of transmission and gathering pipeline facilities.

6. PROCEDURE

6.1 District Engineering responsibilities include the following:

Collect data information, such as number and type of leaks, cause of the leaks and their disposition, etc., for preparation and submitting of the Pipeline Annual Reports.

6.2 The (61) _____ responsibilities include the following:

Submit Department of Transportation Form RSPA F 7100.2-1 (for gathering and transmission lines) to the (62) _____ for review. The completed form must be forwarded to the (63) _____ to allow ample time for review prior to the D.O.T. deadline. The (64) _____ must submit the completed form no later than March 15 of each year, for the preceding calendar year, to DOT at the following address:

Information Resources Manager
Office of Pipeline Safety
Pipeline and Hazardous Material Safety Administration
U.S. Department of Transportation, PHP-10
1200 New Jersey Avenue S.E.,
Washington, DC 20590

6.3 (65) _____ responsibilities include the following:

For intrastate Pipelines, and in states where the state is an Agent for DOT, a report may be submitted by the (66) _____ in duplicate to the State agency, if the regulations of that agency require submission of these reports, and provide for further transmittal of one copy no later than March 15, to the Information Resources Manager.

7. RELATED PROCEDURES

1.02 Reporting of Safety Related Conditions
1.03 Investigation of Failures and Accidents
4.01 Class Location Survey and Determination

8. RECORDS

8.1 The District Office will maintain the official files on Pipeline Annual Reports.

8.2 Each file will be kept for the life of the pipeline facilities.

APPENDIX B

PIPELINE WELDING

1. REFERENCE

49 CFR, Subpart E (Sections 192.221 through 192.245).
API 1104, currently referenced edition incorporated by reference in 192.7

2. PURPOSE

The purpose of this procedure is to establish the requirements for qualifying welding procedure and welders for work on steel pipelines.

3. RESPONSIBILITY FOR IMPLEMENTATION

The (301) _____ is responsible to confirm that all pipeline welding is performed in accordance with this procedure.

The (302) _____ is responsible for reviewing and approving all qualified welding procedures prior to start of production welding.

The (303) _____ is responsible for retaining and maintaining a current record of approved welders, their identification numbers, and the procedures to which each welder is qualified.

4. GENERAL

4.1 All welding to be performed by a qualified welder in accordance with welding procedures qualified to produce welds meeting the requirements specified. The quality of the tests used to qualify the procedure shall be determined by destructive testing. Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

4.2 A Welding Procedure Specification (WPS) is a written procedure prepared to provide direction for making production welds to specific requirements. It specifies the materials, consumables, and procedures to be used in making welds, either for a variety or for specific connection geometry, steel types and steel thickness.

4.3 The Procedure Qualification Record (PQR) documents the welding materials, consumables, and procedures defined by the WPS used to weld a test coupon. It also contains the test results of the tested specimens. The PQR basically establishes that the weldments specified by the WPS are capable of providing the required properties for its intended application.

4.4 The Welder Performance Qualification (WPQ) documents the ability of the welder being tested to produce a weld using a specific set of materials, consumables, and procedures to meet certain quality requirements.

4.5 A weld map and weld location record shall be completed.

4.6 All visual inspection and nondestructive testing shall be per Procedure 15.02.

5. QUALIFICATION OF WELDING PROCEDURES AND WELDERS

5.1 All welding performed on gas pipeline systems shall be completed using welding procedures qualified in accordance with the API Standard 1104 (20th Edition) "Welding of Pipelines and Related Facilities", or Section IX "Welding and Brazing Qualifications" of the ASME Boiler and Pressure Vessel Code (incorporated by reference, 49 CFR192.7 currently referenced editions).

5.2 Welders welding on pipelines that operate at less than 20% SMYS shall qualify and test according to the requirements for pipelines that operate at 20% SMYS or more.

5.3 Each welder shall be qualified in accordance with section 6 of API Standard 1104 "Welding and Pipelines and Related Facilities" or Section IX "Welding and Brazing Qualifications" of the ASME Boiler and Pressure Vessel Code (ibr, 49 CFR192.7 currently referenced editions).

5.3.1 No welder may weld with a particular welding process unless, within the preceding 6 calendar months, he has engaged in welding with that process. For welders qualified under 192.227(b), less than 20% SMYS, may not weld unless;

- The welder has re-qualified at least once per calendar year not to exceed 15 months, or
- At least twice each calendar year, not to exceed 7 ½ months the welder has had a production weld cut out, tested, and found acceptable in accordance with the qualifying test.

5.3.2 A welder may not weld on pipe operating at a pressure that produces a hoop stress of 20% or more of SMYS unless within the preceding 6 calendar months the welder has had one weld tested and found acceptable under sections 6 or 9 of API Standard 1104 (ibr, 49 CFR192.7 currently referenced editions). Alternatively, welders may maintain an ongoing qualification status by performing welds tested and found acceptable under

the above acceptance criteria at least twice each calendar year, but at intervals not exceeding 7 ½ months.

5.3.3 No welder whose qualification is based on nondestructive testing may weld compressor station pipe and components.

5.3.4 When there is specific reason to question the welder's ability to make welds that meet the specification, the WPQ qualification which supports the welding he is doing shall be retested. All other qualifications not questioned remain in effect.

5.4 Each contractor is responsible for the welding performed by their organization. They will conduct the tests required to qualify their welding procedures and each of their welders.

5.5 It is the contractor's responsibility to furnish the Company with complete copies of their welding procedure specification (WPS), procedure qualification record (PQR), and welding performance qualifications record (WPQ) for each welder, and any changes that occur thereto while working for the Company. The contractor is also responsible for retaining and maintaining complete documentation of same, and providing full access to the Company as required.

6. PROCEDURE

6.1 Prior to the start of any welding, an appropriate weld procedure shall be selected and qualified, if not presently qualified.

6.2 Each welder must be qualified to weld by the selected procedure.

6.3 All production welding must conform to the requirements of design drawings or specifications, the selected qualified welding procedure specification (WPS), and within the limits of the welder's performance qualification (WPQ).

6.4 The welding operation must be protected from the weather conditions that would impair the quality of the completed weld.

6.5 Before beginning any welding,

6.5.1 The welding to be performed shall be evaluated for hazards which may affect the safety and health of personnel working in the area or the general public. Welding shall begin only when safe conditions are indicated.

6.5.1.1 A thorough check shall be made in or around a structure or area containing gas facilities to determine the possible presence of a combustible mixture.

6.5.1.2 Where welding is performed in a public area, a means to shield the public from welding arcs shall be provided

between welding and public, or assure that public is not present during welding.

6.5.2 Welding surfaces must be free of defects such as laminations, cracks, dents, gouges, grooves, and notches.

6.5.3 Welding surfaces must be clean and free of any material that may be detrimental to the weld. Each joint of pipe may require swabbing to remove all dirt and foreign materials from the inside.

6.5.4 Bevels shall be checked for proper dimensions and angle.

6.5.5 Ensure that the longitudinal seams are offset. The seams should be located on the upper quadrant of the line and preferably within 30 degrees of top center. Alternate joints shall be rotated to right or left at least 15 degrees to avoid aligning the seams in adjacent joints. Exceptions to this requirement shall be made for making bends, as the longitudinal seam must remain on the neutral axis of the bend, and at other locations as may be indicated on the design drawings.

6.5.6 The line-up shall be checked to ensure proper root spacing and alignment. This alignment must be preserved while the root bead is being deposited.

6.5.7 Welding consumables shall be confirmed for correct type, proper use, control and handling prior to and during use. All welding rod stubs and discarded rods shall be gathered and disposed of in a manner and place authorized by the Company. No welding rod shall be left on or around the working area or deposited in the ditch.

6.6 Preheated and interpass temperatures shall be maintained within the specified ranges.

6.6.1 Preheating shall be required when the welding procedure indicated that chemical composition, ambient and/or metal temperature, material thickness, or weld-end geometry require such treatment to produce satisfactory welds.

6.6.2 The temperature shall be checked by the use of temperature-indicating crayons, thermocouple pyrometers, or other suitable methods to assure that the required preheat temperature is obtained prior to and maintained during the welding operation.

6.7 Grinding and cleaning of the stringer (root) bead shall be completed prior to depositing subsequent filler passes.

6.8 Welds in carbon steels having a high carbon content which requires stress relieving by the applicable code (API 1104 or ASME/ANSI B31.8) shall be stress relieved as prescribed in ASME Boiler and Pressure Vessel Code, Section VIII. Stress relieving may also be advisable for welds in steel having lower carbon or carbon equivalent when adverse conditions exist which cool the weld too rapidly.

6.8.1 Welds in carbon steels shall be stress relieved when the wall thickness exceeds 1-1/4 in (3.81 cm).

Note: Above mentioned codes shall be the 49CFR192 currently referenced edition.

6.9 Mark and ensure that all arc burns are removed and repaired. A ground may not be welded to the pipe or fitting that is being welded.

6.10 A miter joint is not permitted (not including defections up to 3 degrees that are caused by misalignment). Any weld which is not at right angles to the axis of the pipe will be considered a mitered weld, unless the angle is specifically called for on the design drawings.

6.11 Weld numbers and welder identification numbers shall be applied using waterproof crayon, paint pens, or similar markers on the pipe coating adjacent to the weld for temporary identification. Marks shall be made on the top of the pipe approximately 1 foot (0.30 meters) from the cutbacks on the pipe coating, and shall be visible after joint coating is complete.

6.12 A permanent record in the form of weld maps shall be made indicating the location of all welds that can be cross referenced to the weld's nondestructive testing and to the welder making the weld.

7. REPAIR OR REMOVAL OF WELD DEFECTS

7.1 Qualified procedures and currently qualified welders are required for all repair work.

7.2 Each weld that is found unacceptable must be removed or repaired. Except for welds on an offshore pipeline being installed from a pipelay vessel, a weld must be completely removed if it has a crack that is more than 8 percent of the weld length.

7.3 Each weld that is repaired must have the defect removed down to sound metal and the segment to be repaired must be preheated if conditions exist which would adversely affect the quality of the weld repair. After repair, the segment of the weld that was repaired must be inspected to ensure its acceptability.

7.4 The repair of a crack in a weld, providing it does not exceed 8% of the weld length, or, of any defect or flaw in a previously repaired weld, must be according to a written weld procedure qualified under Section 5.0 "Qualification of welding procedures and welders". The welder(s) must have qualified to the repair procedure prior to affecting the repair.
The repair procedure must provide that the repaired defect(s) equal or exceed the original mechanical properties of the originally intended weld.

Re-repair of welds will not be permitted unless approved by the District Engineer using a qualified welding procedure.

After any repair or re-repair, the weld must be non-destructively tested by any process to determine and ensure the repair's integrity. Please refer to Procedure 15.02 "Visual Inspection and Nondestructive Testing".

7.5 An arc burn caused by any means, whether by welding or other, can be injurious to the carrier pipe and is totally unacceptable. Arc burn affects the integrity of the pipe and can cause mechanical deficiencies and possible stress concentrations.

An arc burn can be completely removed by grinding. However, the grinding process must not be excessive and to the point where the wall thickness is less than the minimum thickness required by the tolerances in the original specification of the pipe.

If the arc burn cannot be removed by grinding, a cylinder of the pipe containing the defect must be removed.

If grinding provides a thinner pipe wall than originally manufactured, and the pipe is to be retained, derating of the pipe must be considered.

8. RELATED PROCEDURES

9.01 Pipeline Repair Procedures
15.02 Visual Inspection and Nondestructive Testing

9. RECORDS

9.1 Insert copies of the welding procedures used, the location of the welds, the welders used, and the results of all nondestructive testing in the pipeline historical file.

9.2 Insert copies of pipe and fitting material qualifications, as-built drawings, and hydrostatic test records in the pipeline historical file.

9.3 Maintain records for the life of the facility.