

LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 23, 1998

Mr. Jeet S. Bindra, President
Chevron Pipe Line Company
4000 Executive Parkway
San Ramon, CA 94583

Dear Mr. Bindra:

CPF No. 48521C

Between June 23 and July 10, 1998, a representative of the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your pipeline facilities and records for the Permian Basin and Wink to El Paso crude oil systems in west Texas.

During the inspection OPS found one item causing concern about the safe operation and maintenance of your pipeline facilities.

A review of the records indicates that breakout tanks were inspected at Wink East, Crane, Monahans, Keystone and Wink West in January 1997 and had not been inspected as of July 1998, thus exceeding the required 15 month interval. The records indicate that the historical inspection frequency had been July of each year. A specialized inspection in January 1997 was conducted of all breakout tanks; this was considered to be the required inspection for 1997. In fact, the new inspection interval is now January of each year. All breakout tanks have consequently been inspected in August, 1998.

In order to efficiently perform your compliance activities, we understand that you have a computer program that provides field personnel with compliance deadlines well in advance of the actual date. In the current situation, the program was not modified to indicate a change in the compliance interval from July each year to January each year, causing the breakout tanks to miss the January, 1998 inspection deadline. It is important to maintain this computer program properly and you should take steps to ensure that the program is properly maintained in the

future when variations in your inspection schedule necessitate program changes.

You will not hear from us again with regard to this concern. Because of the good faith that you have exhibited up to this time, we expect that you will act to ensure that the problem discussed in this letter will be addressed. Please refer to CPF No. 48521C in any correspondence/communication on this matter.

Sincerely,

R. M. Seeley
Director