WARNING LETTER

<u>CERTIFIED MAIL - RETURN RECEIPT REQUESTED</u>

August 2, 2000

Mr. David A. Justin Vice President of Operations Mid-Valley Pipeline Company Post Office Box 2039 Tulsa, Oklahoma 74102

CPF No. 220005010

Dear Mr. Justin:

On 5 - 7 June 2000, a representative of the Southern Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your pipeline records at Oxford, Mississippi and pipeline facilities in Mississippi, Tennessee, and Kentucky.

As a result of the inspection, it appears that you have committed probable violations of pipeline safety regulations Title 49, Code of Federal regulations, Part(s) 195 as noted below.

The items inspected and the probable violation is:

§ 195.420(a) requires that each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.

The mainline valve at Mile Post 376 would not operate remotely as designed during the field inspection due to communications problems with the cellular telephone service. According to Mid-Valley management personnel a radio communications link will be established with the mainline valve.

Under 49 United States Code, \$60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violations persist up to a maximum of \$500,000 for any related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the violation(s), we will take enforcement action when and if the continued violation(s) come(s) to our attention.

You will not hear from us again with regard to the noted inspection and our subsequent action. Because of the good faith that you have exhibited up to this time, we expect that you will bring your pipeline (and or your operations) into compliance with pipeline safety regulations.

Sincerely,

Frederick A. Joyner Director, Southern Region Office of Pipeline safety

cc: Compliance Officer, OPS Headquarters

DPS-20.1 Regions