



US Department  
of Transportation

**Research and  
Special Programs  
Administration**

400 Seventh Street, S.W.  
Washington, D.C. 20590

FEB 16 2005

Mr. Jerome B. Richter  
President  
Penn Octane Corporation  
77-530-Enfield Lane, Building D  
Palm Desert, CA 92211

RE: CPF No. 4-2002-5001

Dear Mr. Richter:

On March 15, 2004, a Final Order was issued to Penn Octane Corporation by the Associate Administrator for the Office of Pipeline Safety. It made findings of violation and assessed a civil penalty of \$10,000, and required certain corrective action.

Based on information documented in your submission dated July 20, 2004, all actions required in the Compliance Order have been completed. I acknowledge receipt of, and accept your wire transfer dated March 30, 2004, in the amount of \$10,000 as payment in full of the civil penalty. Based on the recommendation of the Director, Southwest Region, this case is now closed and no further enforcement action is contemplated with respect to the matters involved in the case. Thank you for your cooperation in our joint effort to ensure pipeline safety.

Sincerely,

James Reynolds  
Pipeline Compliance Registry  
Office of Pipeline Safety

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**