



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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

JUL 10 2006

Robert P. Carone
President
Pacific Operators Offshore, LLC
205 East Carrillo, Suite 200
Santa Barbara, CA 93101

Re: CPF No. 5-2004-5041

Dear Mr. Carone:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes a finding of violation and finds that you have completed the actions specified in the Notice required to comply with the pipeline safety regulations. The Final Order also finds that you have addressed the inadequacies in your procedures that were cited in the Notice of Amendment. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Mr. Clement M. Alberts, Environmental Coordinator
Mr. Bruce Johnston, Operations Superintendent
Mr. Chris Hoidal, P.E., Director Western Region, PHMSA

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590**

In the Matter of)
)

Pacific Operators Offshore, LLC,)
)

Respondent)
_____)

CPF No. 4-2004-5041

FINAL ORDER

Between September 13 and 14, 2004, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration's (PHMSA's)¹ Office of Pipeline Safety and California State Fire Marshall conducted an on-site pipeline safety inspection of Respondent's Integrity Management Program (IMP) in Oxnard, California. As a result of the inspection, the Director, Western Region, PHMSA, issued to Respondent, by letter dated December 9, 2004, a Notice of Probable Violation, Proposed Compliance Order, and Notice of Amendment (Notice).² In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent committed a violation of 49 C.F.R. Part 195, and proposed that Respondent take certain measures to correct the alleged violation. The Notice also proposed, in accordance with 49 C.F.R. § 190.237, that Respondent amend its procedures/plans.

After requesting and receiving an extension of time to respond, Respondent responded to the Notice by letter dated March 7, 2005 (Response). Respondent did not contest the allegation of violation but provided information concerning the corrective actions it has taken. Respondent did not request a hearing, and therefore has waived its right to one.

¹ Effective February 20, 2005, the Pipeline and Hazardous Materials Safety Administration (PHMSA) succeeded Research and Special Programs Administration as the agency responsible for regulating safety in pipeline transportation and hazardous materials transportation. See, section 108 of the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-426, 118 Stat. 2423-2429 (November 30, 2004)). See also, 70 Fed. Reg. 8299 (February 18, 2005) re delegating the pipeline safety authorities and functions to the PHMSA Administrator.

² Although the December 9, 2004 Notice inadvertently omitted "Notice of Proposed Violation" from the title, the Notice refers to the committed probable violation.

FINDING OF VIOLATION

In its Response, Respondent did not contest the alleged violation in the Notice. Accordingly, I find that Respondent violated the following section of 49 C.F.R. Part 195, as more fully described in the Notice:

Item 1— 49 C.F.R. § 195.452(c)(1)(i)(A) and 49 C.F.R. § 195.452(f)—failing to conduct an acceptable geometry tool run; furthermore, the one conducted was more than five years old.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

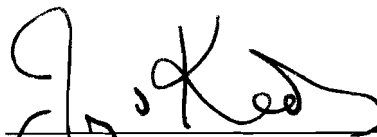
The Notice proposed a compliance order with respect to Item 1 in the Notice. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under Chapter 601. Respondent stated in its Response that it planned to conduct an in-line inspection (ILI) in accordance with the Minerals Management Service (MMS) schedule and that the ILI would include a geometry tool. The Regional Director reviewed the Response and determined that the plan addresses the proposed compliance actions. Accordingly, since compliance has been achieved with respect to this violation, it is not necessary to include the compliance terms in this order.

AMENDMENT OF PROCEDURES

The Notice alleged inadequacies in Respondent's procedures/plans and proposed to require amendment of Respondent's procedures to comply with the requirements of 49 C.F.R. § 195.452(f)(8) and 195.452(h)(4)(i).

In its response, Respondent submitted copies of its amended procedures, which the Director, Western Region, PHMSA reviewed. Accordingly, based on the results of this review, I find that the Respondent's original procedures as described in the Notice were inadequate to ensure safe operation of its pipeline system, but that Respondent has corrected the identified inadequacies. No need exists to issue and order directing amendment.

The terms and conditions of this Final Order are effective on receipt.



 Stacey Gerard
 Associate Administrator
 for Pipeline Safety

JUL 10

 Date Issued