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EQUIVA
SERVICES LLC
Shell, Tesco & Saudi Aramco Working Together

Legal Department

Lance S. Tolson
Senior Attorney

July 26, 2002

Mr. Rod Seeley
Office of Pipeline Safety
2320 LaBranch
Suite 2100
Houston, Texas 77004

RE: CPF No. 4-2001-5003

Dear Mr. Seeley:

As you know, Equilon Pipeline Company LLC (now Shell Pipeline Company LP or "Shell") received the above referenced matter in October of 2001. As a result of that filing, Shell provided a response in February of 2002, detailing its position on the various points asserted by the Office of Pipeline Safety (OPS).

Counsel for your office has orally stated to counsel for Shell that that your office finds Shell's 2002 response in this matter unpersuasive, and therefore no fine reduction in this matter is merited. Shell has subsequently reassessed this case, and has decided to remit the specified fine at this time.

However, it should be understood that Shell in resolving this matter does not admit, and in fact specifically denies each of the allegations made by the OPS in this matter consistent with its February, 2002 response. It is resolving this case at this time solely in order to avoid the attendant costs of defending this matter, and buy peace with your agency.

We have arranged the appropriate wire transfer, which is scheduled to take place either this afternoon, or Monday the 29th. Thank you for your attention to this matter.

Sincerely,


Lance S. Tolson

lst



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

Office of the
Chief Counsel

400 Seventh St. S.W.
Washington D.C. 20590

Barbara Hickl
Senior Counsel
Equiva Services, LLC
PO Box 4254
Houston, Texas 77210

AUG 9 2002

RE: CPF No.4-2001-5003

Dear Ms. Hickl:

On June 18, 2002, during a phone conversation we had about the above-referenced Notice of Probable Violation, you told me that Equilon Pipeline Company LLC intended to forego a hearing in the matter and pay the associated civil penalty. You told me it would take approximately a week to process the payment. That same day I faxed you the instructions for payment by wire transfer. On July 10, 2002, I left you a voice mail message telling you that RSPA had not received the \$50,000 payment. You left me a voice mail message the same day, or the next day, apologizing for the non-payment and saying you would look into it. As of today's date, almost one month later, RSPA still has not received the payment.

After you return from your vacation (August 19, according to your voice mail message), please do one of the following things at your earliest convenience: 1) telephone me to schedule a date for a hearing; 2) send/fax me a letter reflecting what you had earlier told me, that Equilon is withdrawing its request for a hearing and is submitting the matter on its written response; or 3) fax me a copy of the wire transfer of payment of the civil penalty.

Thank you for your cooperation in seeing this case through to completion.

Sincerely,

Michele Bouziane
Staff Attorney

CERTIFIED MAIL-RETURN RECEIPT REQUESTED