WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 8, 1999

Mr. Tom Blake Vice President Equitable Production Company 1989 East Stone Drive Kingsport, TN 37662-1983

CPF NO. 29105W

Dear Mr. Blake:

On July 12-13, 1999, representatives 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 facilities and records for Nora Transmission at Prestonsburg, Kentucky.

As a result of the inspection, it appears that you have committed probable violations as noted below of pipeline safety regulations Title 49, Code of Federal Regulations, Part 192.

The items inspected and the probable violations are:

1. §192.605(b)(5) requires that the manual of written procedures for operations, maintenance, and emergencies contain procedures for starting up and shutting down any part of the pipeline in a manner designed to assure operation within the MAOP limits.

In reviewing the Operation and Maintenance Manual, procedures for starting up and shutting down any part of the pipeline within the MAOP limits were not found in the manual

2. §192.605(b)(8) requires that the manual of written procedures for operations, maintenance, and emergencies contain procedures for periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures.

In reviewing the Operations and Maintenance Manual, procedures for periodically reviewing the work done by operator personnel were not on file.

3. §192.605(b)(9) requires that the manual of written procedures for operations, maintenance, and emergencies contain procedures for taking adequate precautions in excavated trenches to protect personnel from the hazards of unsafe accumulations of vapor or gas, and making available when needed at the excavation, emergency rescue equipment, including a breathing apparatus and, a rescue harness and line.

In reviewing the company's Operations and Maintenance Manual, procedures for taking adequate precautions in excavated trenches to protect personnel were not found in the manual.

4. §192.615(a)(1) requires that the written procedures to minimize the hazard resulting from a gas pipeline emergency must include receiving, identifying, and classifying notices of events which require immediate response by the operator.

Procedures for receiving, identifying, and classifying notices of events which require immediate response by the operator were not found in the emergency manual.

5. §192.463 requires that the level of cathodic protection complies with one or more of the applicable criteria contained in appendix D of Part 192.

Corrosion control procedures did not contain criteria for a satisfactory level of cathodic protection.

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 persists 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 violations, we will take enforcement action when and if the continued violations comes 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 act to bring your pipeline (and/or your operations) into compliance with pipeline safety regulations).

Sincerely,

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