LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 2, 1997

Mr. Bruce Ference, Operations Manager Exxon Pipeline Company 800 Bell Street P.O. Box 2220 Houston, Texas 77002-7426

Dear Mr. Ference: CPF No. 47510C

During April, June, and October of 1997, a representative of the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code conducted pipeline safety inspections of Exxon Pipeline Company's onshore facilities and records in the Sunset, Louisiana and Longview, Texas areas.

As a result of the inspection and in keeping with pipeline safety regulations we have noted some areas of concern.

During the field observation of the Sunset Pump Station, it was noted that the 12-inch diameter crude line going to the breakout tank has developed atmospheric corrosion at the pipe and at the interface between the ground and pipe. Similar observations were noted on two of the five breakout tanks at the Bunkie Station.

Also, east of Lafayette at the 12-inch pig trap and valve assembly an area development of atmospheric corrosion was noted. In this same area, the right-of-way was overgrown and could impair the line surveillance.

During the field inspection of the Longview area at Finney Station, breakout tank #310 had signs of atmospheric corrosion on the tank valve area. Several areas of right-of-way south and west of the Finney Pump Station were noted in need of trimming and clearing.

Soon after the inspections, Exxon Pipeline Company's safety staff assured us that the above mentioned field concerns would be corrected.

We acknowledge your swift response to the areas of concern that were brought to your staff's attention during our inspection and hope that Exxon Pipeline Company will continue its safe operation and maintenance of the pipeline system. Please refer to CPF No. 47510C in any correspondence/communication on this matter.

Sincerely,

James C. Thomas Director

JAM/dat