LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 11, 1998

Mr. Bill Rome Vice President, Gulf Coast Operations Northern Natural Gas Company % Enron Gas Pipeline Group 1400 Smith Street Houston, Texas 77002

Dear Mr. Rome: CPF No. 48201C

Between June 23 and July 1, 1998, a representative of the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your offshore pipeline facilities at Tivoli, Texas (MOPS System), and the offshore pipelines operated out of the Lafayette, Louisiana. Regional Office. During the inspections several items were noted that cause concern about the safe operation and maintenance of your pipelines.

During the inspection of your Tivoli Station, the following safety concerns were noted to your representatives. At the MOPS shore line block valve station, "no smoking signs" were missing--probably stolen, barb wire strands were broken on the security fence (housekeeping concern projects a poor public image), and permanent type pipe supports are installed which do not facilitate a complete visual inspection of your aboveground valve station piping for atmospheric corrosion. Also, recent modifications were made to your Tivoli corrosion coupon station located in an underground vault. Work had been started but had not been completed to secure the manhole closure doors modified to accommodate an extension for coupon retrieval. This unsecured vault approximately 6-feet deep, is in very close proximity to a public highway and is accessible to the public. Although the area is sparsely populated, it would be very unfortunate if a child became trapped in the vault. Your company also operates the adjacent Tivoli natural gas liquid storage facility owned by OXY, Incorporated (two 21,000 gallon tanks and associated equipment). Apparently, OXY contracts out the vacuum/pressure relief valve tank inspections, but does not provide a copy of these records to your operating personnel. It was recommended to your representative that Enron should have a copy of these inspections for their files since they have primary operating responsibility. It was also advised that portions of this facility (separators, condensate pipelines) may be DOT

jurisdictional under 49 CFR Part 195, Hazardous Liquid Pipeline Safety Regulations.

During the inspection of your offshore Lafayette facilities, the following safety concerns were noted to your representatives. On the EI 372A Unocal platform, your 6-inch pipeline appeared to be free of atmospheric corrosion, however, permanent type pipe supports again prohibit visual inspection between the pipe and its support.

On the EI 384 LL&E platform, the closure door bolt holding plates on your Tube-Turn scraper trap were severely corroded (they are no longer able to hold the bolt in place as designed). These bolt holding plates do not appear to compromise the closure door integrity for pressure containment unless an attempt would be made to turn the bolt while the vessel is under pressure.

At the WC 215 Hess platform, the Shafer valve actuator exhibits moderate to severe atmospheric corrosion. Continued corrosion may prevent actuator operation, although a manual option to open or close the valve is available. This condition as noted by your representative, would be addressed by either cleaning and repainting, removing, or replacing the actuator.

We hope you will consider these areas of concern and consider them constructive to pipeline safety. If we can answer any questions or be of any assistance, please call me at (713) 718-3746. Please refer to the CPF No. 48201C in any correspondence/communication on this matter.

Sincerely,

R. M. Seeley Regional Director, Southwest Region