

**WARNING LETTER**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

July 17, 1998

Mr. D. A. Frederick, President  
Pennzoil Exploration and Production Company  
P. O. Box 2967  
Houston, Texas 77252-2967

Dear Mr. Frederick:

**CPF No. 48901W**

On January 28 and 29, 1997, representatives of the Southwest Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code conducted a pipeline safety inspection of Pennzoil Exploration and Production Company offshore gas and liquid facilities and records in Lafayette, Louisiana.

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, Parts 192 and 195.

The probable violations are:

1. **§192.225(b) Welding----General**  
**Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.**

Pennzoil did not retain the required procedures and/or the required records for the following pipeline segments:

6-inch diameter pipeline from Eugene Island 316A to Eugene Island 330.

6-inch diameter pipeline from Eugene Island 330D to Eugene Island 330A.

6-inch diameter pipeline from Eugene Island 337A to Eugene Island 330B.

6-inch diameter pipeline from South Marsh 128C to South Marsh 128.

10-inch diameter pipeline from Ship Shoal 198H to Ship Shoal 198J.

6-inch diameter pipeline from West Cameron 575A to West Cameron 560A.

2. **§192.243(f) Nondestructive Testing**

**When nondestructive is required under §192.241(b), each operator must retain, for the life of the pipeline, a record showing by milepost, engineering station or geological feature, the number of girth welds made, the number nondestructively tested, the number rejected and the disposition of the rejects.**

Pennzoil cannot locate the required records for the following pipeline segments:

6-inch diameter pipeline from Eugene Island 316A to Eugene Island 330.

6-inch diameter pipeline from Eugene Island 330D to Eugene Island 330A.

6-inch diameter pipeline from Eugene Island 337A to Eugene Island 330B.

6-inch diameter pipeline from South Marsh 128C to South Marsh 128.

10-inch diameter pipeline from Ship Shoal 198H to Ship Shoal 198J.

6-inch diameter pipeline from West Cameron 575A to West Cameron 560A.

3. **§195.214(b) Welding: General**

**Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.**

Pennzoil failed to retain the required procedures and/or the required records for the following pipeline segments:

8-inch diameter pipeline from Eugene Island 316A to Eugene Island 330.

6-inch diameter pipeline from Eugene Island 337A to Eugene Island 330.

6-inch diameter pipeline from Eugene Island 330D to Eugene Island 330.

6-inch diameter pipeline from Eugene Island 315A to Eugene Island 330.

4-inch diameter pipeline from Eugene Island 142A to Eugene Island 141.

6-inch diameter pipeline from Eugene Island 215 06" SSTI to Eugene Island 215B.

8-inch diameter pipeline from Sabine Pass 13A to Scurlock TB onshore.

6-inch diameter pipeline from Eugene Island 305B to Eugene Island 305.

6-inch diameter pipeline from Ship Shoal 198J to Ship Shoal 198F.

4. **§195.266(a) Construction Records**

**A complete record that shows the total number of girth welds and the number nondestructively tested, including the number rejected and the disposition of each rejected weld must be maintained by the operator involved for the life of each pipeline facility.**

Pennzoil did not retain the required records for the following pipeline segments:

8-inch diameter pipeline from Eugene Island 316A to Eugene Island 330.

6-inch diameter pipeline from Eugene Island 337A to Eugene Island 330.

6-inch diameter pipeline from Eugene Island 330D to Eugene Island 330.

8-inch diameter pipeline from South March 128C to South Marsh 128.

6-inch diameter pipeline from Eugene Island 315A to Eugene Island 330.

4-inch diameter pipeline from Eugene Island 142A to Eugene Island 141.

6-inch diameter pipeline from Eugene Island 215 06" SSTI to Eugene Island 215B.

8-inch diameter pipeline from Sabine Pass 13A to Scurlock TB onshore.

6-inch diameter pipeline from Eugene Island 305B to Eugene Island 305.

6-inch diameter pipeline from Ship Shoal 198J to Ship Shoal 198F.

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 violation persists up to a maximum of \$50,000 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 penalty. It is noted Pennzoil performed a diligent search for the required records and submitted accurate listings of those unavailable. We advise you, however, that should you fail to record and maintain the required construction records on new, or newly acquired pipelines we will take enforcement action when and if the violation comes to our attention.

Subsequent inspections and follow-up of the pipelines listed above with the exception of the 8-inch diameter crude oil line from Sabine Pass 13 A to Scurlock TB onshore will be performed by representatives of the Department of Interior. In keeping with the Memorandum of Understanding dated December 10, 1996 between the DOT and the DOI a copy of this letter is being forwarded to Mineral Management Services.

Sincerely,

R. M. Seeley  
Regional Director, Southwest Region

cc: Department of Interior  
Mineral Management Services  
Gulf of Mexico OCS Region  
1201 Elmwood Park Boulevard  
New Orleans, LA 70123-2394