



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 9, 2014

Mr. Warner Williams
Vice President GOM
Chevron USA Inc.
100 Northpark Blvd
Covington, LA 70433

CPF 4-2011-9001

Dear Mr. Williams:

On June 14, 2012, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a Final Order in the above referenced case. The Final Order made findings of violation, assessed a civil penalty, and included a Compliance Order that specified actions to be taken by Chevron, USA Inc. to comply with the pipeline safety regulations. Among other things, the required actions included the development and implementation of written conversion-to-service plans for two specified offshore pipelines in the Bay and Field in accordance with the applicable provisions of 49 C.F.R. Parts 192 and 195.

After requesting and receiving an extension of time, by letter dated December 19, 2012, Chevron submitted a conversion-to-service plan for one of the pipelines, a 6-inch diameter oil pipeline segment designated as ST-0164. With respect to the other line, a 6-inch diameter gas pipeline designated as SN-375, Chevron informed PHMSA that the line was out of service and undergoing an evaluation of its future utility, and that Chevron was requesting a further extension of time to submit the required conversion-of-service plan for this line. By letter dated December 19, 2012, PHMSA granted the requested extension until March 31, 2013.

By letter dated March 25, 2013, Chevron informed PHMSA that it was proceeding with the permitting of a new pipeline to replace line SN-375 and requested closure of the Compliance Order. PHMSA understands this to mean that Chevron has completed the process of permanently decommissioning line SN-375 in accordance with 49 C.F.R. §192.727 and Chevron's decommissioning/abandonment procedures. On that basis, Chevron may consider the Compliance Order to be closed. If, however, the decommissioning is not permanent and any future operation of line SN-375 is contemplated, Chevron or its successors will remain responsible for satisfying the conversion-to-service requirements prior to such operation.

Thank you for your cooperation in this matter.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration