

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 4, 2010

Mr. Forrest Deano Olemaun
Vice President of Barrow Operations
Ukipeagvik Inupiat Corporation
1250 Agvik St.- PO Box 890
Barrow, AK 99723

CPF 5-2010-0004W

Dear Mr. Olemaun:

On October 29, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Ukipeagvik Inupiat Corporations (UIC) procedures, records and facilities in Barrow, Alaska.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

- 1. §192.321 Installation of plastic pipe.**
 - (g) Uncased Plastic pipe may be temporarily installed above ground level under the following conditions:**
 - (1) The operator must be able to demonstrate that the cumulative aboveground exposure of the pipe does not exceed the manufacturer's recommended maximum period of exposure or 2 years, whichever is less.**

UIC failed to replace the 2" temporary above ground plastic pipe that transports natural gas between the NARL NSV-1 valve facility and the Barrow Arctic Science Consortium

facility. The existing above ground plastic pipe is not compliant with §192.59 and has been in service since October 2006, which exceeds the 2 year time limit in §192.321(g)(1). If UIC intends to use plastic pipe it must be compliant with §192.59 and designed in accordance with §192.123.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in the Ukipeagvik Inupiat Corporation being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2010-0004W** and send all responses to my attention at 222 W. 7th Ave. #200, PO Box 37, Anchorage, Alaska 99513. For each document you submit, please provide a copy in electronic format whenever possible. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Dennis Hinnah
Deputy Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Strawn (#123975)