

JAN 14 2011

Mr. James C. Flores
President and Chief Executive Officer
Plains Exploration & Production Company
700 Milam, Suite 3100
Houston, TX 77002

Re: CPF No. 5-2009-7001

Dear Mr. Flores:

Enclosed please find the Final Order issued in the above-referenced case. It withdraws the Notice of Probable Violation. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, PHMSA

Mr. Thomas B. Goeres
Operations Manager
Plains Exploration & Production Company
201 S. Broadway
Orcutt, CA 93455-4606

CERTIFIED MAIL - RETURN RECEIPT REQUESTED [7005 1160 0001 0040 0023]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)	
In the Matter of)	
)	
Plains Exploration & Production Company,)	CPF No. 5-2009-7001
)	
Respondent.)	
_____)	

FINAL ORDER

On April 21-25 and May 5-9, 2008, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Plains Exploration & Production Company (PXP or Respondent) in Orcutt, California.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated January 8, 2009, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that PXP had violated 49 C.F.R. § 195.426 and proposed ordering Respondent to take certain measures to correct the alleged violation.

PXP responded to the Notice by letter dated February 11, 2009 (Response). The company contested the allegation and offered additional information in response to the Notice. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.426, which states:

§ 195.426 – Scraper and sphere facilities

No operator may use a launcher or receiver that is not equipped with a relief device capable of safely relieving pressure in the barrel before insertion or removal of scrapers or spheres. The operator must use a suitable device to indicate that pressure has been relieved in the barrel or must provide a means to prevent insertion or removal of scrapers or spheres if pressure has not been relieved in the barrel.

The Notice alleged that Respondent violated § 195.426 by using a receiver that was not equipped with a relief device capable of safely relieving pressure in the barrel before insertion or removal of scrapers or spheres. Specifically, the Notice alleged that the barrel of the receiver at PXP's Lompoc processing facility lacked a vent valve to the atmosphere, and that this could allow the receiver to open under pressure.

In its Response, PXP objected to the allegation of violation. The company stated that the barrel of its receiver was equipped with three relief valves that opened to the atmosphere, and that they were capable of safely relieving pressure in the barrel before insertion or removal of scrapers or spheres. PXP included with its Response a diagram of its receiver system showing the three valves.

Based upon the information provided in PXP's Response, I hereby order that the Notice be withdrawn.

The Notice proposed a compliance order with respect to Item 1. Because I have ordered that the Notice be withdrawn, the proposed compliance terms are not included in this Order. However, I would like to commend PXP for acting on OPS's recommendation to install a valve immediately downstream of the mainline trap valve to depressure upstream of the barrel in the event a pig were to become stuck in the neck pipe.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued