



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 17, 2007

Mr. Steven P. Rusch
Vice President
Plains Exploration & Production Company (PXP)
5640 South Fairfax Ave
Los Angeles, CA 90056

SENT TO COMPLIANCE REGISTRY
Hardcopy Electronically
of Copies 1 / Date 4/17/07

CPF 5-2007-0014W

Dear Mr. Rusch:

On March 2, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) was notified by a representative of the state of California Division of Oil, Gas and Geothermal Resources that a pipeline release occurred due to third party damage on February 14, 2007 in Inglewood, CA. Pursuant to Chapter 601 of 49 United States Code our staff contacted your personnel at the Inglewood facility to determine the circumstances surrounding the incident.

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

1. 192.614 Damage Prevention Program.

(a) except as provided in paragraphs (d) and (e) of this section, each operator of a buried pipeline must carry out, in accordance with this section, a written program to prevent damage to that pipeline from excavation activities.

PXP personnel were working on a road within the PXP Inglewood facility when they hit a 12" natural gas line owned by the Gas Company. Natural gas was released, and fortunately there were no injuries, fatalities, explosion or fire. The Gas Company was

not notified of the intended excavation either by the One-Call system or directly by PXP. PXP knew the existence of the gas line owned by the Gas Company, but wrongly assumed the depth of the cover.

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 PXP 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 5-2007-0014W**. 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,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 P. Nguyen