



PACIFIC ENERGY & MINING CO

DPU EXHIBIT NO. 8

May 25, 2017

Mr. Jimmy Betham
Pipeline Safety Engineer
State of Utah
Department of Commerce
Division of Public Utilities
160 East 300 South, Box 146751
Salt Lake City, UT 84114

RE: Annual Inspection No. 20161101CH

Dear Mr. Betham:

Please find our response to the Non-Compliance issues found during the November 1-4, 2016 annual inspection with Pacific Energy and Mining Co.

Non-compliance Found:

1. 192.605 Procedural manual for operations, maintenance, & emergencies (b) (8):

Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found. No documentation was available to verify; needs documentation.

STATUS: Preparing documentation. Documentation will be completed by June 30, 2017.

2. 192.605 Procedural manual for operations, maintenance, & emergencies (c) (4):

Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found. No documentation was available to verify; needs documentation.

STATUS: Preparing documentation. Documentation will be completed by June 30, 2017.

3. 192.615 Emergency plans (b) (2):

Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective. No documentation was available to verify training and/or training effectiveness.

STATUS: Personnel is undergoing training program. Once completed, verification will be forwarded.

4. 192.615 Emergency plans (b) (3):

Review employee activities to determine whether the procedures were effectively followed in each emergency. No documentation was available to verify whether procedures were effectively followed.

STATUS: Preparing documentation. Documentation will be completed by June 30, 2017.

5. 192.615 Emergency plans (c):

Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials. No documentation was available to verify liaison.

STATUS: Preparing documentation. Documentation will be completed by June 30, 2017.

6. 192.616 Public awareness (e) & (f):

The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations. The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas. No documentation was available to verify public awareness activities.

STATUS: Preparing documentation. Documentation will be completed by July 31, 2017.

7. 192.616 Public awareness (g):

The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area. This item was not addressed by the PEMC Procedural Manual for Operations, Maintenance and Emergencies (PMOME).

STATUS: Preparing program. Documentation of program will be completed by July 31, 2017.

8. 192.616 Public awareness (h):

Operators in existence on June 20, 2005, must have completed their written programs no later than June 20, 2006. The operator of a master meter or petroleum gas system covered under paragraph G) of this section must complete development of its written procedure by June 13, 2008. Upon request, operators must submit their completed programs to PHMSA or, in the case of an intrastate pipeline facility operator, the appropriate State agency. An effectiveness review was not addressed by the PEMC PMOME.

STATUS: Preparing documentation. Documentation will be completed by July 31, 2017.

9. 192.706 Transmission lines: Leakage surveys:

Leakage surveys of a transmission line must be conducted at intervals not exceeding 15 months, but at least once each calendar year. However, in the case of a transmission line which transports gas in conformity with §192.625 without an odor or odorant, leakage surveys using leak detector equipment must be conducted. No documentation of leak surveys available.

STATUS: Survey was conducted in May. Documentation will be completed by June 30, 2017.

10. 192.745 Valve maintenance: Transmission lines:

Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year. No documentation of valve maintenance/testing available.

STATUS: Inspection was completed in May. Documentation will be completed by June 30, 2017.

11. 192.751 Prevention of accidental ignition:

Each operator shall take steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion. Not addressed by the PEMC PMOME, no documentation available.

STATUS: Documentation will be completed by June 30, 2017.

12. 192.227/229 Qualification of welders and welding operators:

Limitations on welders and welding operators: Welder qualification documentation not available at the time of audit because records are stored in Reno, NV. PEMC will check and follow-up with additional information.

STATUS: Pacific Energy and Mining Company took over as operator from Delta Petroleum. Delta Petroleum did not provide qualification documentation of the welders, but it did provide testing of the welds and qualification documentation of the testing company. This information is held in the Green River, Utah field office.

13. 192.243 Nondestructive testing:

NDT qualification documentation not available at the time of audit because records are stored in Reno, NV. PEMC will check and follow-up with additional information.

STATUS: This information is held in the Green River, Utah field office.

Please contact this office if you have any questions.

Sincerely,
For Pacific Energy and Mining Co.



Dan Green
President