U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Ave., S.E.
Washington, DC 20590

MAY 1 2009

Mr. Mark J. Gorman
Senior Vice President
Operations & Business Development
Plains Pipeline, L.P.
P. O. Box 4648
Houston, Texas 77210-4648

Dear Mr. Gorman:

On January 20, 2009, you wrote to the Pipeline and Hazardous Materials Safety Administration (PHMSA) requesting a special permit to waive compliance from PHMSA's tank inspection requirements in 49 CFR § 195.432. Specifically, you requested an 18-month extension to the requirement to perform API 653 Out Of Service (OOS) inspections on thirty-three (33) above ground storage tanks, located in Texas (25), Oklahoma (4), New Mexico (1), Louisiana (1), Alabama (1), and Mississippi (1). These storage tanks operating under PHMSA Operator ID No. 00300, must have their OOS inspections completed by May 3, 2009.

On January 27, 2009, Plains Pipeline, L.P. (Plains) requested a stay of enforcement from the PHMSA Regional Directors of the Southwest and Southern Regions. Plains requested that PHMSA stay the enforcement on API 653 OOS inspection requirements pursuant to 49 CFR § 195.432(d) on the 33 listed tanks pending PHMSA's decision on the above referenced special permit request.

Upon careful consideration, we are declining to a grant a special permit or stay of enforcement to Plains Pipeline, L.P., for the reasons set forth in the *Special Permit Analysis and Findings* document enclosed and posted in Docket No. PHMSA-2009-0043, in the Federal Docket Management System (FDMS) located at www.Regulations.gov.

Because the subject tanks are out of compliance with applicable inspection and maintenance requirements, to the extent Plains' continues to operate these tanks as breakout tanks Plains is potentially subject to enforcement action. Accordingly, we propose that Plains initiate the following actions:

1. If a tank is empty, do not put product in the tank. If a tank is not empty, do not put additional product in the tank.

2. Plains should not take any more nominations for these tanks.

3. Empty all of the tanks within 30 days. Provide the Director, Southwest Region with documentation that they have been emptied.

4. For any tanks that Plains intends to bring into compliance and return to service, submit a proposed plan and schedule to the Director, Southwest Region, within 60 days of receipt of this letter.

5. For any tanks that will be taken out of service permanently, submit a proposed plan and schedule for isolation from the operational system and complete removal of the potential for contamination to the Director, Southwest Region, within 90 days of receipt of this letter.

If you intend to initiate these actions as proposed, we request that you provide a written response to the Director, Southwest Region, confirming your intent no later than 30 days following your receipt of this letter. If for any reason Plains believes that these proposed steps or the proposed completion times are not feasible, Plains may propose an alternative plan to PHMSA in its response.

If you have any questions regarding this special permit denial, my staff would be pleased to discuss this or any other regulatory matter with you. John Gale, Director of Regulations (202-366-0434), may be contacted on regulatory matters and Alan Mayberry, Director of Engineering and Emergency Support (202-366-5124), may be contacted on technical matters specific to this special permit.

Sincerely,

William H Gute
for

Jeffrey D. Wiese
Associate Administrator for Pipeline Safety

Enclosure