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April 24, 2008

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: BP America Production Company, Docket No. EM08-____
Emergency Natural Gas Transaction Report

Dear Madam Secretary:

Pursuant to Section 284.270 of the regulations of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 284.270 (2007), BP America Production Company ("BP") hereby submits this report. Both Destin Pipeline Company, L.L.C. ("Destin") and Viosca Knoll Gathering System ("Viosca Knoll")¹ have filed emergency natural gas transportation reports regarding this transaction; and based on their characterizations of this transaction as an "emergency natural gas transaction" under 18 C.F.R. § 284.262, and out of an abundance of caution, BP is submitting this report. BP believes Destin's report serves as the emergency natural gas transaction report on this transaction on behalf of all affected shippers on Destin. To the extent that the Commission determines that the transaction is an emergency natural gas transaction and BP qualifies as a recipient of the emergency natural gas transaction, BP requests that the Commission waive the requirements of Subpart I of Part 284 of the Commission's regulations to accept this report out-of-time.

1. Emergency Transaction Report

This report is submitted pursuant to § 284.270 for an emergency transaction.

¹ Destin Emergency Natural Gas Transportation Report, Docket No. EM08-6 (filed March 10, 2008); Viosca Knoll Gas Gathering System, Docket No. EM08-5 (filed February 12, 2008).

2. Date Deliveries Commenced

Deliveries commenced on March 7, 2008.

3. Specific Nature of the Situation

Destin transports gas in interstate commerce and owns and operates an open access pipeline system extending from Viosca Knoll 900 to Main Pass 260. From Main Pass 260, the Destin system extends north to the Pascagoula, Mississippi processing plant (the "Pascagoula Plant"), and then proceeds north through Mississippi where it interconnects with other natural gas interstate pipelines.

On March 7, 2008, the Pascagoula Plant was taken out of service for planned maintenance. The shutdown was initially anticipated to conclude on or about March 17, 2008, but the Pascagoula Plant also was shut down on March 19, 2008 (collectively, the "Maintenance Period"). As a result of the Pascagoula Plant shutdown, Destin previously notified its shippers that it would not be able to provide transportation service from Main Pass 260 to the Pascagoula Plant during the Maintenance Period.

In response to the Pascagoula Plant shutdown, BP entered into an interruptible gas gathering agreement, effective January 1, 2008, with Enterprise Field Services, LLC, owner and operator of Viosca Knoll Gathering System ("Viosca Knoll") for service on an interruptible basis on Viosca Knoll, with deliveries expected to commence on March 7, 2008.² The agreement provides for BP to deliver gas to Viosca Knoll at Viosca Knoll's existing interconnect with Destin at Main Pass 260. During the Maintenance Period, under its existing transportation agreement with Destin, BP also continued to receive transportation service on Destin to the Main Pass 260 interconnect between Destin and Viosca Knoll.

On February 12, 2008, in anticipation of participating in the above transaction, Viosca Knoll filed an emergency natural gas transportation report in Docket No. EM08-5 describing the above transaction as a proposed emergency natural gas transaction. Viosca Knoll stated that the transaction qualifies as an emergency natural gas transaction because it would be the transportation of natural gas conducted pursuant to Subpart I of Part 284 of the Commission's regulations that is: (a) necessary to alleviate an emergency and (b) not anticipated to extend for more than 60 days in duration. Because of the Pascagoula Plant maintenance, according to Viosca Knoll, Destin would be required to curtail its natural gas deliveries or provide less than the projected level of service. For these reasons, Viosca Knoll submitted that the above transaction is a natural gas transaction that is necessary to alleviate an emergency and that Viosca Knoll is willing to undertake the transaction on that basis. In the emergency natural gas transportation report, Viosca Knoll identified the participants as Destin and Viosca Knoll.

² Initially, the agreement was executed by BP Exploration & Production Inc., but was amended to properly reflect the appropriate parties to the transaction. The amendment's effective date is January 1, 2008.

On March 10, 2008, Destin filed an emergency natural gas transportation report in Docket No. EM08-6. Destin also described the above transaction and stated that the transaction appears to qualify as an emergency natural gas transaction because the event can be classified as a natural gas transaction that is necessary to alleviate an emergency. In Destin's report, Destin identified the participants as Destin, Viosca Knoll, and a number of Destin customers.

4. Estimated Total Amount and Average Daily Amount of Emergency Natural Gas To Be Transported During the Term of the Transaction

According to Destin, the estimated total amount of emergency natural gas to be transported during the Maintenance Period is expected to be 1,750 MMcf, with the average daily amount expected to be 175 MMcf.

From March 7, 2008 through March 19, 2008, BP shipped an average of approximately 85,266 Dth/day on Viosca Knoll, for an estimated total amount of 852,664 Dth.

5. Transportation Rate


Under the interruptible gathering agreement with Viosca Knoll, BP will pay an interruptible gathering rate of \$0.24/MMBtu, plus a pro rata share of fuel and lost and unaccounted for gas. The rate paid by BP for service on Destin is the applicable transportation rate under BP's existing transportation service agreement with Destin.

6. Identification of All Participants Involved in the Transaction

In regards to the service provided to BP, in addition to BP, Destin and Viosca Knoll also are involved in the transaction.

Should you have any questions regarding this matter, please do not hesitate to contact the undersigned at the number listed above.

Respectfully submitted,



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cc: Mr. Berne Mosley, Director

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