

125 FERC ¶ 61,259  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

December 2, 2008

In Reply Refer To:  
CKB Petroleum, Inc.  
Docket No. OR08-3-000

CKB Petroleum, Inc.  
Helix Energy Solutions Group, Inc.  
400 N. Sam Houston Pkwy E.  
Houston, TX 77060

Attention: Alisa B. Johnson  
Senior Vice President, General Counsel and Corporate Secretary

Reference: Request for Temporary Waiver of Tariff Filing and Reporting  
Requirements

Ladies and Gentlemen:

1. CKB Petroleum, Inc. (CKB) filed a request for a temporary waiver of the tariff filing and reporting requirements contained in sections 6 and 20 of the Interstate Commerce Act (ICA) for its pipeline that extends from South Pass in federal waters offshore Louisiana to the West Delta Receiving Station in Venice, Louisiana. Upon consideration, the Commission grants the waiver requested by CKB subject to the conditions that CKB maintain its books and records in accordance with the Uniform System of Accounts and that CKB timely notify the Commission of any material change in its operations as specified herein. Furthermore, CKB shall cancel the tariff currently in effect for such movements within fifteen (15) days of the date this letter order issues in accordance with section 341.5 of the Commission's regulations.<sup>1</sup>

2. CKB states it is a subsidiary of Energy Resource Technology GOM, Inc. (Energy Resource) and an indirect, wholly-owned subsidiary of Helix Energy Solutions Group, Inc. (Helix). CKB explains that, prior to 2006, it was a subsidiary of Remington Oil &

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<sup>1</sup> 18 C.F.R. § 341.5 (2008).

Gas (Remington), which following its acquisition by Helix, was subsequently merged into and renamed Energy Resource.

3. CKB owns an undivided interest in a 12-inch diameter oil pipeline that extends 47.40 miles from South Pass Block 89 in federal waters, offshore Louisiana, to the West Delta Receiving Station in Venice, Louisiana. CKB moves crude oil on its pipeline under FERC Tariff No. 1, which has been effective since March 1, 1985.

4. CKB states that it has never transported or received a request to transport crude oil produced by an unaffiliated third party. CKB states its only customer for crude oil shipments has been CKB's parent company, Energy Resource (formerly Remington). CKB further asserts that all crude oil transported by CKB is sold to third parties at Venice, Louisiana, and neither CKB nor its parent shipper have knowledge of the crude oil's ultimate destination or have been a party to any agreement relating to the subsequent movement or disposition of the crude oil following transportation through CKB's facilities. CKB states it does not expect to receive any requests for transportation service from an unaffiliated third party and it anticipates all crude oil carried by CKB will be owned and produced by CKB's parent or an affiliate.

5. CKB therefore requests the Commission grant temporary waiver of the filing requirements under sections 6 and 20 of the ICA, subject to CKB's continuing obligation to maintain its books and records in accordance with the Commission's Uniform System of Accounts and to timely notify the Commission of any material change in the facts relied upon to grant such waiver. CKB further states that its waiver could be made subject to the express requirement that, in the event it receives a request from a non-affiliated shipper for transportation, it will file a tariff and become subject to the Commission's reporting requirements. CKB states that granting the requested waiver will relieve CKB from administrative burdens that, under the circumstances, would neither protect any unaffiliated shipper nor serve any other regulatory purpose.

6. CKB's request for temporary waiver was noticed by the Commission on November 15, 2007. Persons desiring to intervene or protest this filing were accorded an opportunity to do so pursuant to Rules 211 and 214 of the Commission's Rules of Practice and Procedure.<sup>2</sup> No requests for intervention or protests were received.

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<sup>2</sup> 18 C.F.R. §§ 385.211 and 385.214 (2008).

7. The Commission previously granted temporary requests for waiver of the filing and reporting requirements of sections 6 and 20 of the ICA<sup>3</sup> where, as here, all of the oil to be carried is owned by the pipeline or an affiliate; no third party has requested, or is likely to request, transportation service over the pipeline; and there is no opposition to the waiver request. In these cases, the Commission determined there was no active third-party shipper interest to protect under the ICA, and therefore, a temporary waiver of the sections 6 and 20 filing and reporting requirements was warranted. However, the Commission granted the waivers subject to revocation should circumstances change and required the pipelines to keep their books and records in a manner consistent with the Commission's Uniform System of Accounts.

8. Upon consideration of the facts contained in CKB's request, the Commission grants the temporary waiver of the filing and reporting requirements of sections 6 and 20 of the ICA requested by CKB relating to its pipeline that extends from South Pass in federal waters offshore Louisiana to the West Delta Receiving Station in Venice, Louisiana. CKB shall within 15 days cancel its tariff for such movements following the procedures required under section 341.5 of the Commission's regulations.<sup>4</sup>

9. Because these waivers are temporary, we also direct CKB to immediately report to the Commission any change in the circumstances that the Commission found to warrant the waiver. In addition, CKB must maintain all books and records in a manner consistent with the Uniform System of Accounts for Oil Pipelines, 18 C.F.R. Part 352, and make such books and records available to the Commission or its duly authorized agents upon request.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>3</sup> See, e.g., *Sinclair Oil Corp.*, 4 FERC ¶ 62,026 (1978); *Hunt Refining Co. and East Mississippi Pipeline Co.*, 70 FERC ¶ 61,035 (1995); *Ciniza Pipe Line Inc.*, 73 FERC ¶ 61,377 (1995); *Enbridge Pipelines (NE Texas Liquids) L.P.*, 117 FERC ¶ 61,046 (2006); *Giant Pipeline Company and Giant Industries Arizona, Inc.*, 120 FERC ¶ 61,275 (2007).

<sup>4</sup> 18 C.F.R. § 341.5 (2008).