

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

IN THE MATTER OF:	)		
Anadarko Minerals, Inc.	)	Docket No. CWA-08-2020-0017	
100 N. Broadway, Ste. 2110	)		July 16, 2020
Oklahoma City, Oklahoma 73102	)		1:27 PM
Respondent.	)	CONSENT AGREEMENT	Received by
	)		EPA Region VIII
	)		Hearing Clerk

**I. INTRODUCTION**

1. This is an administrative penalty assessment proceeding pursuant to sections 22.13(b) and 22.18(b)(2) and (3) of the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits* (Consolidated Rules of Practice), as codified at 40 C.F.R. part 22.
2. Anadarko Minerals, Inc. (Respondent) owns and/or operates the Marie Standing Heirs 1-35 well and tank battery, located at SWSW Sec 35, T 31N, R 43E, Valley County, MT.
3. The EPA and Respondent, having agreed settlement of this action is in the public interest, consent to the entry of this consent agreement (Agreement) without adjudication of any issues of law or fact herein, and Respondent agrees to comply with the terms of this Agreement.

**II. JURISDICTION**

4. This Agreement is issued under the authority vested in the Administrator of the EPA by section 311(b)(6)(A) of the Clean Water Act (Act), 33 U.S.C. § 1321(b)(6)(A). The undersigned EPA official has been duly authorized to institute this action.
5. The Regional Judicial Officer is authorized to approve this Agreement with a final order. 40 C.F.R. §§ 22.4(b) and 22.18(b).
6. The final order approving this Agreement simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).

**III. GOVERNING LAW**

**Discharges of Oil/Pollutants**

7. Section 311(b)(3) of the Act, 33 U.S.C. § 1321(b)(3), in pertinent part, prohibits discharging oil into or upon the navigable waters of the United States in such quantities as may be harmful as determined under section 311(b)(4) of the Act, 33 U.S.C. § 1321(b)(4).
8. The term “discharge” is defined in section 311(a)(2) of the Act, 33 U.S.C. § 1321(a)(2), to include, in pertinent part, “any spilling, leaking, pumping, pouring, emitting, emptying or dumping. . . .”

9. The term “oil” is defined in section 311(a)(1) of the Act, 33 U.S.C. § 1321(a)(1), in pertinent part, as “oil of any kind or in any form, including, but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil.”
10. The term “navigable waters” is defined in section 502(7) of the Act, 33 U.S.C. § 1362(7), as “waters of the United States, including the territorial seas.” In turn, “waters of the United States” has been defined to include, inter alia, all waters which are currently used, were used in the past, or may be susceptible to use in interstate or foreign commerce; and tributaries to such waters. 40 C.F.R. §§ 122.2 and 110.1 (1993).
11. The term “pollutant” is defined in Section 502(6) of the Act, 33 U.S.C. § 1362(6), to include in pertinent part, “materials” discharged into water.
12. In accordance with section 311(b)(4) of the Act, 33 U.S.C. § 1321(b)(4), the EPA has determined, by regulation, those quantities of oil the discharge of which may be harmful to the public health or welfare or the environment of the United States. Discharges of oil in such quantities as may be harmful include discharges of oil that: “(a) Violate applicable water quality standards; or (b) Cause a film or sheen upon or discoloration of the surface of the water or adjoining shorelines or cause a sludge or emulsion to be deposited beneath the surface of the water or upon adjoining shorelines.” 40 C.F.R. § 110.3.
13. Pursuant to section 311(b)(6)(A) of the Act, 33 U.S.C. § 1321(b)(6)(A), any owner, operator, or person in charge of any vessel, onshore facility or offshore facility from which oil is discharged in violation of section 311(b)(3) of the Act, 33 U.S.C. § 1321(b)(3), may be assessed a class I or class II civil penalty.
14. The term “owner or operator” is defined in section 311(a)(6) of the Act in pertinent part as “in the case of an onshore facility, . . . any person owning or operating such onshore facility . . . .” 33 U.S.C. § 1321(a)(6).
15. According to section 311(a)(7) of the Act, “person” includes an individual, firm, corporation, association, and a partnership. 33 U.S.C. § 1321(a)(7).
16. The term “onshore facility” is defined in section 311(a)(10) of the Act as “any facility . . . of any kind located in, on, or under, any land within the United States other than submerged land.” 33 U.S.C. § 1321(a)(10).

### **SPCC Plan Requirements**

17. Pursuant to section 311(j)(5) of the Act, 33 U.S.C. § 1321(j)(5), the EPA promulgated regulations for oil pollution prevention at 40 C.F.R. part 112 (Part 112).
18. Part 112 applies “to any owner or operator of a non-transportation-related onshore or offshore facility engaged in drilling, producing, gathering, storing, processing, refining, transferring, distributing, using, or consuming oil and oil products, which due to its location, could reasonably be expected to discharge oil in quantities that may be harmful . . . , into or upon the navigable waters of the United States or adjoining shorelines,” 40 C.F.R. § 112.1(b), unless an exception in 40 C.F.R. § 112.1(d) applies.

19. Each owner or operator of a facility subject to Part 112 must prepare a Spill Pollution, Control, and Countermeasures (SPCC) plan in accordance with 40 C.F.R. § 112.7 and any other applicable section of Part 112. 40 C.F.R. § 112.3.
20. Pursuant to section 311(b)(6)(A) of the Act, 33 U.S.C. § 1321(b)(6)(A), any owner, operator, or person in charge of any vessel, onshore facility or offshore facility who fails or refuses to comply with the any regulation issues under section 311(j) of the Act, 33 U.S.C. § 1321(j), to which that owner, operator, or person in charge is subject, may be assessed a class I or class II civil penalty.

#### **IV. ALLEGED FACTS**

21. Respondent was at all relevant times a corporation organized under the laws of the State of Oklahoma and authorized to do business in the State of Montana.
22. Respondent was at all relevant times a “person” within the meaning of sections 311(a)(7) and 502(5) of the CWA, 33 U.S.C. §§ 1321(a)(7) and 1362(5).
23. Respondent was at all relevant times, the owner and operator of the Marie Standing Heirs 1-35 well and tank battery, located at SWSW Sec 35, T 31N, R 43E, Valley County, MT within the meaning of Section 311(a)(6) of the Act, 33 U.S.C. § 1321(a)(6), and 40 C.F.R. § 112.2.
24. Respondent is engaged in drilling, producing, gathering, storing, processing, refining, transferring, distributing, using, or consuming oil or oil products located at the Marie Standing Heirs 1-35 well and tank battery.
25. The Marie Standing Heirs 1-35 well and tank battery is located approximately 1,800 feet northwest of a stock pond in an unnamed tributary to Little Porcupine Creek which flows approximately 1.55 miles southeast to Little Porcupine Creek.
26. Little Porcupine Creek in turn flows into the Yellowstone River.
27. The Yellowstone River is a navigable water of the United States within the meaning of Section 502(7) of the Act, 33 U.S.C. § 1362(7).
28. The Marie Standing Heirs 1-35 well and tank battery has an aggregate above-ground storage capacity, including the capacity of any bunkered or partially buried tank (as defined in 40 C.F.R. § 122.2), greater than 1,320 gallons of oil in containers that each have a shell capacity of at least 55 gallons.
29. The Marie Standing Heirs 1-35 well and tank battery has a reasonable expectation to discharge oil in harmful quantities to Little Porcupine Creek and its unnamed tributary.
30. The Marie Standing Heirs 1-35 well and tank battery is a “non-transportation-related onshore facility” within the meaning of 40 C.F.R. § 112.2 Appendix A, as incorporated by reference within 40 C.F.R. § 112.2.
31. The Marie Standing Heirs 1-35 well and tank battery is an “onshore facility” within the meaning of Section 311(a)(10) of the Act, 33 U.S.C. § 1321(a)(10), and 40 C.F.R. § 112.2.

32. The Marie Standing Heirs 1-35 well and tank battery therefore is a non-transportation-related onshore facility which, due to its location, could reasonably be expected to discharge oil to a navigable water of the United States or its adjoining shorelines in a harmful quantity.
33. Pursuant to the Act, and 40 C.F.R. § 112.1, Respondent, as the owner and operator of the Marie Standing Heirs 1-35 well and tank battery, must prepare an SPCC plan in accordance with Part 112.

## **V. ALLEGED VIOLATIONS OF LAW**

34. On or about April 27, 2018, Respondent reported to the United States Coast Guard National Response Center (NRC Report No. 1210626) that an initial estimate of approximately 450 barrels of crude oil and 55,000 barrels of produced water were released from the Marie Standing Heirs 1-35 well flow line. (2018 Discharge)
35. The 2018 Discharge impacted an unnamed tributary to Little Porcupine Creek, which flows to Little Porcupine Creek. Little Porcupine Creek flows to the Yellowstone River, which is an interstate water and a traditional navigable water within the meaning of Section 502(7) of the Act, 33 U.S.C. § 1362(7).
36. The crude oil and produced water comprising the 2018 Discharge meets the definition of “oil” in section 311(a)(1) of the CWA, 33 U.S.C. § 1321(a)(1).
37. The release of oil was at all relevant times a “discharge” within the meaning of section 311(a)(2) of the CWA, 33 U.S.C. § 1321(a)(2).
38. The 2018 Discharge violated water quality standards, caused a film or sheen upon or discoloration of the surface of the water and/or its adjoining shorelines, and/or caused a sludge or emulsion to be deposited beneath the surface of the water(s) and/or upon the adjoining shorelines of an unnamed tributary to Little Porcupine Creek.
39. The oil discharged into the unnamed tributary to Little Porcupine Creek and upon its adjoining shorelines as a result of the release referenced in paragraph 34 above was discharged in “quantities as may be harmful” within the meaning of section 311(b)(3) of the CWA, 33 U.S.C. § 1321(b)(3), and 40 C.F.R. § 110.3.
40. The waters identified in paragraph 35 above are and were at all relevant times “navigable waters” within the meaning of section 502(7) of the CWA, 33 U.S.C. § 1362(7).
41. Respondent’s discharge of oil to navigable waters constitutes a violation of section 311(b)(3) of the CWA, 33 U.S.C. § 1321(b)(3).

### **SPCC Plans for the Marie Standing Heirs 1-35 well and tank battery**

42. On or about January 8, 2019, Respondent submitted its SPCC plan for the Marie Standing Heirs 1-35 well and tank battery to the EPA.
43. The EPA reviewed the SPCC plan and noted minor deficiencies regarding compliance with the requirements in Part 112.

44. Respondent's failure to have a SPCC plan meeting the requirements of Part 112, constituted violations of 40 C.F.R. § 112.3.
45. Respondent resubmitted the SPCC plan for the Marie Standing Heirs 1-35 well and tank battery to the EPA on or about February 6, 2020, and the EPA confirmed the SPCC plan complied with all applicable requirements specified in Part 112 as of that date.

## **VI. TERMS OF CONSENT AGREEMENT**

46. For the purpose of this proceeding, Respondent:
  - a. admits the jurisdictional allegations in section II of this Agreement;
  - b. neither admits nor denies the factual and legal allegations in Sections IV and V of this Agreement;
  - c. consents to the assessment of a civil penalty as stated below;
  - d. acknowledges this Agreement constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
  - e. waives any right to contest any final order approving this Agreement; and
  - f. waives any rights it may possess at law or in equity to challenge the authority of the EPA to bring a civil action in a United States District Court to compel compliance with the Agreement or Order, or both, and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action.
47. Section 311(b)(6) of the Act, 33 U.S.C. § 1321(b)(6), authorizes the EPA to assess a civil penalty in this matter.
48. In determining the amount of the penalty to be assessed, the EPA considered the seriousness of the violations; the economic benefit to Respondent resulting from the violations; the degree of culpability involved; any other penalty for the same incident; any history of prior violations; the nature, extent, and degree of success of any efforts of Respondent to minimize or mitigate the effects of the discharge; the economic impact of the penalty on Respondent, and any other matters as justice may require, in accordance with section 311(b)(8), 33 U.S.C. § 1321(b)(8).
49. Respondent has submitted documentation of an inability to pay a penalty as calculated under the EPA's penalty policies. The EPA has determined that Respondent has an inability to pay the initial calculated penalty amount.
50. Based on the Alleged Violations of Law, and after consideration of the statutory factors in paragraph 49 above, the EPA has determined a civil penalty of \$200,000 is appropriate to settle this matter.

51. Penalty Payment. Respondent agrees to:

- a. pay a civil penalty in the amount of \$200,000 according to the following schedule:
  - i. Respondent shall pay \$9,100 within 30 calendar days of the Effective Date of this Agreement;
  - ii. Respondent then shall pay \$8,300 on the same day of each successive month (or, if that day is a weekend or holiday, the next business day) for 23 months (for a total of 24 payments totaling \$200,000);
  - iii. Respondent may choose to pay any or all of the remaining amount due at any time. If a balance remains after any such payment, \$8,300 will be due each month thereafter until the balance due is less than \$8,300 and the next and final payment shall be for the balance due.
- b. Pay each instalment of the civil penalty using any method provided on the following website <https://www.epa.gov/financial/makepayment>;
- c. indicate each and every payment is payable to the “Oil Spill Liability Trust Fund-311” and identify each and every payment with the docket number that appears on the final order;
- d. within 24 hours of payment, email proof of payment to Donna Inman and Charles Figur at [inman.donnak@epa.gov](mailto:inman.donnak@epa.gov) and [figur.charles@epa.gov](mailto:figur.charles@epa.gov) (“proof of payment” means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate payment has been made according to EPA requirements, in the amount due, and identified with the docket number that appears on the final order).

52. If Respondent fails to timely pay any portion of the penalty assessed under this Agreement, the EPA may:

- a. request the Attorney General to bring a civil action in an appropriate district court to recover: the amount assessed; interest at rates established pursuant to 26 U.S.C. § 6621(a)(2); the United States’ attorneys’ fees and costs for collection proceedings; and a quarterly nonpayment penalty for each quarter during which such failure to pay persist, 33 U.S.C. § 1321(b)(6)(H);
- b. refer the debt to a credit reporting agency or a collection agency, 40 C.F.R. §§ 13.13, 13.14, and 13.33;
- c. collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 40 C.F.R. part 13, subparts C and H; and
- d. suspend or revoke Respondent’s licenses or other privileges or suspend or disqualify Respondents from doing business with the EPA or engaging in programs the EPA sponsors or funds, 40 C.F.R. § 13.17.

53. Consistent with section 162(f)(1) of the Internal Revenue Code, 26 U.S.C. § 162(f)(1), Respondent will not deduct penalties paid under this Agreement for federal tax purposes.
54. This Agreement applies to Respondent and its successors and assigns. Until Respondent complies with the terms and conditions of paragraph 51 hereof, Respondent must give written notice and a copy of this Agreement to any successors-in-interest prior to transfer of any interest in the Marie Standing Heirs 1-35 well and tank battery. Any change in ownership or corporate control of Respondent, including but not limited to, any transfer of assets or real or personal property shall not alter Respondent's responsibilities under this Agreement.
55. The undersigned representative of Respondent certifies he or she is fully authorized to execute and enter into the terms and conditions of this Agreement and has the legal capacity to bind the party he or she represents to this Agreement.
56. Except as qualified by paragraph 52, each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

#### **VII. EFFECT OF CONSENT AGREEMENT**

57. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this Agreement resolves Respondent's liability for federal civil penalties for the violations specifically alleged above.
58. The terms, conditions, and compliance requirements of this Agreement may not be modified or amended except upon the written agreement of both parties, and approval of the Regional Judicial Officer, or other delegatee.
59. Nothing in this Agreement shall relieve Respondent of the duty to comply with all applicable provisions of the Act and other federal, state, or local laws, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.
60. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.
61. If and to the extent the EPA finds, after signing this Agreement, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to the EPA, the EPA reserves any and all of its legal and equitable rights.

#### **VIII. PUBLIC NOTICE**

62. As required by section 311(b)(6)(C)(i) of the CWA, 33 U.S.C. § 1321(b)(6)(C)(i), and 40 C.F.R. § 22.45, the EPA will provide public notice and a reasonable opportunity to comment on the penalty that Respondent has agreed to pay in this matter. The EPA may modify or withdraw its consent to this Agreement if comments received disclose facts or considerations which indicate this Agreement is improper or inadequate.

**IX. EFFECTIVE DATE**

This Agreement shall become effective on the date the final order is filed by the hearing clerk.

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 8,  
Complainant.**

**Janice Pearson** Digitally signed by Janice Pearson  
Date: 2020.07.16 11:09:05 -06'00'

---

Signature and Date  
Janice Pearson, Branch Chief  
RCRA and OPA Enforcement Branch

**ANADARKO MINERALS, INC.,  
Respondent.**

 7/16/20

---

Signature and Date  
Ole Andreassen, Chief Executive Officer