



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

1595 WYNKOOP STREET

DENVER, CO 80202-1129

Phone 800-227-8917

http://www.epa.gov/region08

2009 OCT 20 AM 10: 25

FILED
EPA REGION VIII
HEARING CLERK

DOCKET NO.: CAA-08-2010-0001

IN THE MATTER OF:)	
)	
ANADARKO PETROLEUM CORP.)	FINAL ORDER
)	
RESPONDENT)	

Pursuant to 40 C.F.R. §22.18, of EPA's Consolidated Rules of Practice, the Consent Agreement resolving this matter is hereby approved and incorporated by reference into this Final Order. The Respondent is hereby **ORDERED** to comply with all of the terms of the Consent Agreement, effective immediately upon receipt by Respondent of this Consent Agreement and Final Order.

SO ORDERED THIS 20th DAY OF October, 2009.

Elyana R. Sutin
Regional Judicial Officer

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

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Docket No.: CAA-08-2010-0001

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IN THE MATTER OF)
Anadarko Petroleum Corporation,)
Respondent.)

**COMPLAINT AND
SETTLEMENT AGREEMENT**

Complainant, United States Environmental Protection Agency, Region 8 (EPA or Complainant), and Respondent, Anadarko Petroleum Corporation (Respondent) (collectively hereafter the Parties), by their undersigned representatives, hereby consent and agree as follows:

A. PRELIMINARY MATTERS

1. This Complaint and Settlement Agreement (Agreement) is entered into by Respondent and EPA to settle alleged violations of the Clean Air Act (CAA), specifically 40 C.F.R. Part 60, Subpart KKK, 40 C.F.R. Part 63, Subpart ZZZZ and 40 C.F.R. Part 71, Title V at several compressor stations owned and/or operated by Respondent or its affiliates.
2. This proceeding is governed by the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, and the Revocation, Termination or Suspension of Permits (Consolidated Rules) set forth at 40 C.F.R. Part 22. The U.S. Department of Justice has concurred with EPA Region 8's request for authorization to commence an administrative enforcement action.
3. This Agreement is entered into by the Parties for the purpose of simultaneously commencing and concluding this matter, as authorized by 40 C.F.R. § 22.13(b), and executed pursuant to 40 C.F.R. § 22.18(b)(2) and (3) of the Consolidated Rules.

4. EPA has jurisdiction over this matter pursuant to § 113(d)(1)(B) of the CAA, 42 U.S.C. § 7413(d)(1)(B), as amended on November 15, 1990.
5. Respondent admits the jurisdictional allegations in this Agreement, but does not admit the specific factual allegations or legal conclusions made by the Complainant herein, and any action undertaken by Anadarko pursuant to this Agreement shall not constitute an admission of liability for the alleged violations.
6. Respondent waives its rights to a hearing before any tribunal and to contest any issue of law or fact set forth in this Agreement.
7. Complainant asserts that settlement of this matter is in the public interest and Complainant and Respondent agree that entry of this Agreement and Final Order without further litigation and without adjudication of any issue of fact or law is the most appropriate means of resolving this matter.
8. This Agreement, upon incorporation into a Final Order, applies to and is binding upon EPA and upon Respondent, and Respondent's officers, directors, employees, agents, successors and assigns. Any change in ownership or corporate status 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.
9. This Agreement contains all terms of the settlement agreed to by the Parties.
10. EPA has determined that the following facilities to which this Agreement relates are on "Indian country" lands as defined at 18 U.S.C. § 1151:

- a. Ouray Compressor Station (Ouray Station) is located in Section 25, Township 9 South, Range 21 East on the Uintah & Ouray Indian Reservation in Uintah County, Utah;
- b. Cottonwood Compressor Station (Cottonwood Station) is located in Section 27, Township 9 South, Range 21 East on the Uintah & Ouray Indian Reservation in Uintah County, Utah;
- c. Bridge Compressor Station (Bridge Station) is located in Section 16, Township 9 South, Range 22 East on the Uintah & Ouray Indian Reservation in Uintah County, Utah; and
- d. Barker Dome Compressor Station is located in the SW ¼, Section 2, Township 31 North, Range 14 West, on the Ute Mountain Indian Reservation in San Juan County, New Mexico.

B. ALLEGED VIOLATIONS

1. Respondent is a Delaware corporation and therefore a "person" as defined in section 7602(e) of the CAA, 42. U.S.C. § 7602.
2. Respondent owns and/or operates or is the parent corporation of companies that own and/or operate the facilities described in paragraph A-10, above.
3. As described below in more detail, Complainant alleges that Respondent violated the CAA by using incorrect testing methodology for the Leak Detection and Repair Program at the Bridge and Cottonwood Stations, was late in the testing of engine #5 at Ouray Station, had late payments of Title V fees for the Ouray and Cottonwood Stations, had

incomplete records at the Ouray, Cottonwood and Bridge Stations, and failed to timely submit a Title V application at the Barker Dome Station.

COUNT #1: For the Ouray Station, Respondent was late in its initial performance testing of Engine #5, serial #WPW00193 in violation of the National Emission Standards for Stationary Source Reciprocating Internal Combustion Engines in 40 C.F.R. Part 63, Subpart ZZZZ (ZZZZ).

COUNT #2: For the Ouray Station, Respondent failed to pay Title V emission fees in a timely manner (12 months late) in violation of 40 C.F.R. § 71.9(1).

COUNT #3: For the Ouray Station, at an August 27, 2008 inspection by EPA, two years of records were not available on site in violation of ZZZZ.

COUNT #4: For the Cottonwood Station, Respondent failed to pay Title V emission fees in a timely manner (12 months late) in violation of 40 C.F.R. § 71.9(1).

COUNT #5: For the Cottonwood Station, at an August 27, 2008 inspection by EPA, two years of records were not available on site in violation of ZZZZ.

COUNT #6: For the Cottonwood Station, Respondent used an incorrect technique for monitoring pursuant to the Leak Detection and Repair Program in violation of 40 C.F.R. Part 60, the New Source Performance Standards (NSPS) subpart KKK (KKK), Equipment Leaks of VOC From Onshore Natural Gas Processing Plants.

COUNT #7: For the Bridge Station, Respondent used an incorrect technique for monitoring pursuant to the Leak Detection and Repair Program in violation of KKK.

COUNT #8: For the Bridge Station, at an August 27, 2008 inspection by EPA, two years of records were not available on site in violation of ZZZZ.

COUNT #9: For the Barker Dome Station, Respondent failed to timely submit a Title V application to EPA in violation of 40 C.F.R. Part 71.

C. CIVIL PENALTY

1. Pursuant to an analysis of the facts and circumstances of this case with the statutory factors described in section 113(d)(1)(B) of the CAA, 42 U.S.C. § 7413(d)(1)(B), EPA has determined that an appropriate civil penalty to settle this action is the amount of sixty-one thousand dollars (\$61,000).
2. Complainant acknowledges that Respondent has been very cooperative throughout this case and Complainant has taken this into consideration in calculating the settlement amount, as well as the fact that Respondent voluntarily contributed substantial funds to an air monitoring project in Utah.
3. Complainant states that it waived any gravity based penalty for the violation at the Barker Dome Station since that violation was self-disclosed to EPA by the Respondent in a letter dated April 7, 2008 pursuant to EPA's Self Audit Policy. EPA also calculated the economic benefit of the Barker Dome Station violation to be negligible.
4. Respondent consents to the issuance of a Final Order and consents for the purposes of settlement to the payment of the civil penalty in the amount of sixty-one thousand dollars (\$61,000) in the manner described below in this paragraph:
 - a. **Payment is due within 30 calendar days from the date written on the Final Order, to be** issued by the Regional Judicial Officer, that adopts this Complaint and Settlement Agreement. If the due date falls on a weekend or legal federal holiday, then the due date becomes the next business day. The date the payment

is made is considered to be the date processed by the Bank described below.

Payments received by 11:00 AM EST are processed on the same day, those received after 11:00 AM are processed on the next business day.

- b. The payment shall be made by remitting a cashier's or certified check, including the name and docket number of this case, for the amount, **payable to "Treasurer,**

United States of America," to:

CHECK PAYMENT:

US Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
PO Box 979077
St. Louis, MO 63197-9000

OVERNIGHT MAIL:

U.S. Bank
1005 Convention Plaza
Mail Station SL-MO-C2GL
St. Louis, MO 63101

Contact: Natalie Pearson
314-418-4087

WIRE TRANSFER:

Wire transfers should be directed to the Federal Reserve Bank of New York

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, NY 10045

Field Tag 4200 of the Fedwire message should read "D 68010727
Environmental Protection Agency"

ACH (also known as REX or remittance express)

Automated Clearinghouse (ACH) for receiving US currency
PNC Bank
808 17th Street, NW
Washington, DC 20074
Contact – Jesse White 301-887-6548
ABA = 051036706
Transaction Code 22 – checking
Environmental Protection Agency
Account 310006
CTX Format

ON LINE PAYMENT:

There is now an On Line Payment Option, available through the Dept. of Treasury.
This payment option can be accessed from the information below:

WWW.PAY.GOV

Enter sfo 1.1 in the search field. Open form and complete required fields.

A copy of the check, or wire transfer, shall be sent simultaneously to:

Carol A. Smith (8ENF-AT)
U.S. EPA Region 8
Technical Enforcement Program
1595 Wynkoop St.
Denver, CO 80202-1129

and

Tina Artemis
Regional Hearing Clerk (8RC)
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202-1129

- c. Payment of the penalty in this manner does not relieve Respondent of its obligations to comply with the requirements of the CAA statute and regulations.
Payment of the penalty in this manner shall constitute a waiver of Respondent's right to a hearing on this matter.

D. TERMS AND CONDITIONS

1. Failure by Respondent to comply with any of the terms of this Agreement shall constitute a breach of the Agreement and may result in referral of the matter to the Department of Justice for enforcement of this Agreement and for such other relief as may be appropriate.

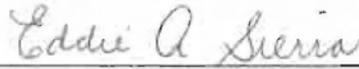
2. Nothing in this Agreement shall be construed as a waiver by the EPA or any other federal entity of its authority to seek costs or any appropriate penalty associated with any collection action instituted as a result of Respondent's failure to perform pursuant to the terms of this Agreement.
3. Each undersigned representative of the Parties to this Agreement certifies that he or she is fully authorized by the party represented to bind the party to the terms and conditions of this Agreement and to execute and legally bind that party to this Agreement.
4. The Parties agree to submit this Agreement to the Regional Judicial Officer, with a request that it be incorporated into a Final Order.
5. This Agreement, upon incorporation into a Final Order by the Regional Judicial Officer and full satisfaction by the Parties, shall be a complete, full and final settlement of the violations alleged in this Agreement.

6. Each party shall bear its own costs and attorneys fees in connection with all issues associated with this Agreement.

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

OCT 13 2009

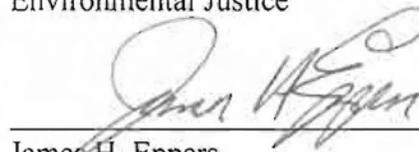
Date: _____



Eddie A. Sierra
Acting Assistant Regional Administrator
Office of Enforcement, Compliance and
Environmental Justice

OCT 13 2009

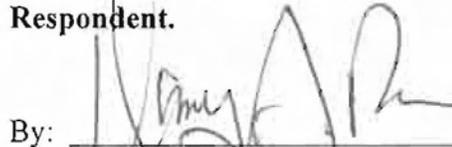
Date: _____



James H. Eppers
Enforcement Attorney
U.S. EPA, Region 8

**ANADARKO PETROLEUM CORPORATION,
Respondent.**

Date: 9-24-09



By: _____
Danny J. Rea
Vice President, Midstream

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached **COMPLAINT, SETTLEMENT AGREEMENT/FINAL ORDER** in the matter of **ANADARKO PETROLEUM CORP.; DOCKET NO.: CAA-08-2010-0001** was filed with the Regional Hearing Clerk on October 20, 2009.

Further, the undersigned certifies that a true and correct copy of the documents were delivered to, Jim Eppers, Senior Enforcement Attorney, U. S. EPA – Region 8, 1595 Wynkoop Street, Denver, CO 80202-1129. True and correct copies of the aforementioned documents were placed in the United States mail certified/return receipt requested on October 20, 2009, to:

John R. Jacus
Davis, Graham & Stubbs LLP.
1550 Seventeenth Street, Suite 500
Denver, CO 80202

E-mailed to:

Michelle Angel
U. S. Environmental Protection Agency
Cincinnati Finance Center
26 W. Martin Luther King Drive (MS-0002)
Cincinnati, Ohio 45268

October 20, 2009



Tina Artemis
Paralegal/Regional Hearing Clerk

