



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 Wynkoop Street
Denver, CO 80202-1129
Phone 800-227-8917
www.epa.gov/region08

Ref: 8ENF-AT

FEB 27 2019

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Eric Groten
Vinson & Elkins LLP
2801 Via Fortuna, Suite 100
Austin, TX 78746-7568

Re: Notice of Violation to Kerr-McGee Gathering LLC

Dear Mr. Groten:

The U.S. Environmental Protection Agency issues the enclosed Notice of Violation to Kerr-McGee Gathering LLC (Kerr-McGee) for alleged violations of sections 111 and 112 of the Clean Air Act (CAA), 42 U.S.C. §§ 7411, 7412, and their implementing regulations at three co-located natural gas processing plants near Fort Lupton, Weld County, Colorado: the Fort Lupton Plant, the Platte Valley Plant, and the Lancaster Plant.

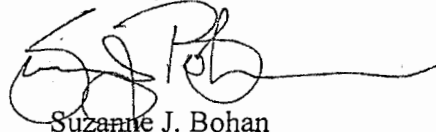
Section 113(a) of the Clean Air Act provides that whenever, on the basis of any information available to the Administrator, the Administrator finds that any person has violated, or is in violation of sections 111 or 112 of the Act, including any requirement or prohibition of any rule promulgated under sections 111 and 112, the Administrator may issue an administrative compliance order, issue an administrative penalty order, or bring a civil judicial action.

In letters and enclosures dated November 19, 2015, and July 6, 2016, Kerr-McGee provided responses to the EPA's requests for information under CAA section 114, 42 U.S.C. § 7414. Kerr-McGee claimed parts of its responses were entitled to confidential treatment under 40 C.F.R. part 2, subpart B. The EPA issues this Notice of Violation based on its review of publicly available information as well as information provided by Kerr-McGee in response to the EPA's CAA section 114 requests.

The EPA plans to make this Notice of Violation available to the public unless Kerr-McGee asserts a business confidentiality claim covering all or part of the information in the enclosed Notice of Violation. Please notify the EPA by **March 6, 2019** whether Kerr-McGee plans to assert a business confidentiality claim, under 40 C.F.R. part 2, subpart B, over all or part of the information in the enclosed Notice of Violation. If Kerr-McGee asserts such a claim, please provide responses to the questions in Enclosure 2 **no later than fifteen working days from Kerr-McGee's receipt of this Notice of Violation**, in accordance with 40 C.F.R. § 2.204(e)(2).

Please contact John Sither, Senior Attorney at the Department of Justice, at (202) 514-5484 or John.Sither@usdoj.gov if you have any questions or would like to discuss this Notice of Violation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Suzanne J. Bohan', with a long horizontal flourish extending to the right.

Suzanne J. Bohan
Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice

Enclosure 1: Notice of Violation – Kerr-McGee Gathering LLC

Enclosure 2: Confidential Business Information (CBI) – Assertion and Substantiation Requirements

cc: Julia Jones, Counsel, Anadarko Petroleum Corporation
Shannon McMillan, Compliance and Enforcement Program Manager, Colorado Department
of Public Health and Environment (Enclosure 2 Only)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

2019 MAR 20 AM 8:32

IN THE MATTER OF:)
)
Kerr-McGee Gathering LLC)
Fort Lupton, Platte Valley, and Lancaster)
Natural Gas Processing Plants, Colorado)
)
Proceeding Pursuant to)
the Clean Air Act,)
42 U.S.C. §§ 7401-7671q)
)

FILED
EPA REGION VIII
HEARING CLERK

NOTICE OF VIOLATION

EPA-CAA-08-2019-0006

NOTICE OF VIOLATION

The U.S. Environmental Protection Agency alleges that Kerr-McGee Gathering LLC (Kerr-McGee) violated and continues to violate sections 111 and 112 of the Clean Air Act (CAA), 42 U.S.C. §§ 7411 and 7412, and implementing regulations, at three natural gas processing plants owned and operated by Kerr-McGee near Fort Lupton, Weld County, Colorado (Fort Lupton Complex). The three plants include the Fort Lupton Plant, the Platte Valley Plant, and the Lancaster Plant. Specifically, the EPA alleges that Kerr-McGee violated and continues to violate the Standards of Performance for Equipment Leaks of VOC From Onshore Natural Gas Processing Plants for Which Construction, Reconstruction, or Modification Commenced After January 20, 1984, and on or Before August 23, 2011, 40 C.F.R. part 60, subpart KKK; the Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution for which Construction, Modification or Reconstruction Commenced After August 23, 2011, and on or before September 18, 2015, 40 C.F.R. part 60, subpart OOOO; and the National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities, 40 C.F.R. part 63, subpart HH.

The issuance of this Notice of Violation does not in any way limit or preclude the EPA from pursuing additional enforcement options concerning the review referenced in this Notice of Violation. Moreover, this Notice of Violation does not preclude enforcement action for violations not specifically addressed in this Notice of Violation.

Statutory and Regulatory Authority

New Source Performance Standards

1. Section 111(b) of the CAA authorizes the Administrator of the EPA to promulgate standards of performance applicable to “new sources” within categories of sources that cause “air pollution which may reasonably be anticipated to endanger public health or welfare.” 42 U.S.C. § 7411(b).

2. A “new source” is any stationary source, the construction or modification of which is commenced after the promulgation of the standards of performance that will apply to such source. 42 U.S.C. § 7411(a)(2).

3. A “stationary source” is a building, structure, facility, or installation that emits or may emit any air pollutant. 42 U.S.C. § 7411(a)(3).

4. A “modification” is “any physical change in . . . a stationary source which increases the amount of any air pollutant emitted by such source.” 42 U.S.C. § 7411(a)(4).

5. In 1979, the EPA listed “Crude Oil and Natural Gas Production” as a source category that contributes significantly to air pollution and for which standards of performance would be established. 44 Fed. Reg. 49,222 (Aug. 21, 1979).

6. It is unlawful for owners and operators of any new source to operate in violation of applicable standards of performance after the standards have gone into effect. 42 U.S.C. § 7411(e).

Subpart KKK

7. In 1985, based on the determination that emissions from the crude oil and natural gas production source category causes or significantly contributes to air pollution which may reasonably be anticipated to endanger public health or welfare, the EPA promulgated “Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants” under section 111 of the CAA. 50 Fed. Reg. 26,122 (June 24, 1985).

8. Each of these standards is a “standard of performance” within the meaning of section 111(a)(1) of the CAA, 42 U.S.C. § 7411(a)(1), or a “design, equipment, work practice, or operational standard, or combination thereof” under section 111(h) of the CAA, 42 U.S.C. § 7411(h). These standards are set forth in 40 C.F.R. part 60, subpart KKK (subpart KKK), §§ 60.630–36.

9. Subpart KKK applies to “affected facilities” for which owners or operators commence construction, modification or reconstruction after January 20, 1984, and on or before August 23, 2011. 40 C.F.R. § 60.630.

10. A natural gas processing plant is “any processing site engaged in the extraction of natural gas liquids from field gas, fractionation of mixed natural gas liquids to natural gas products, or both.” 40 C.F.R. § 60.631. “Onshore” means all facilities except those that are located in the territorial seas or on the outer continental shelf. 40 C.F.R. § 60.631.

11. “Affected facilities” in an onshore natural gas processing plant include: compressors in VOC service or in wet gas service and “[t]he group of all equipment except compressors within a process unit.” 40 C.F.R. § 60.630(a)(3).

12. A “process unit” is “equipment assembled for the extraction of natural gas liquids from field gas, the fractionation of the liquids into natural gas products, or other operations associated with the processing of natural gas products. A process unit can operate independently if supplied with sufficient feed or raw materials and sufficient storage facilities for the products.” 40 C.F.R. § 60.631.

13. “Equipment” includes each pump, pressure relief device, open-ended valve or line, valve, compressor, and flange or other connector that is in VOC service or in wet gas service, and any device or system required by subpart KKK. 40 C.F.R. § 60.631.

14. Subpart KKK incorporates certain provisions of 40 C.F.R. part 60, subpart VV, by reference. *See* 40 C.F.R. §§ 60.632(a), 60.482-1(a), (b), (d), 60.482-2 to 60.482-10. These subpart VV provisions require owners and operators of regulated facilities to monitor equipment such as pumps and valves for leaks of air pollutants, repair leaks, and fulfill recordkeeping and reporting responsibilities.

15. Owners or operators of onshore natural gas processing plants subject to subpart KKK must monitor equipment using “Method 21,” which is a test method that includes using a calibrated meter with a probe to carefully measure around equipment for leaks. 40 C.F.R. §§ 60.632(d), 60.485, Appendix A-7 to 40 C.F.R. Part 60. For purposes of subpart KKK, a leak is detected from pumps and valves in natural gas processing plants if the detection instrument reading is 10,000 parts-per-million (ppm) or greater. 40 C.F.R. §§ 60.482-2, 60.482-7.

16. With certain exceptions not relevant here, when an owner or operator detects a leak in equipment in gas/vapor or light liquid service above the applicable regulatory threshold, subpart KKK requires the owner or operator to repair the leak as soon as practicable but not later than fifteen calendar days after detection. 40 C.F.R. §§ 60.632(a), 60.633(b), 60.482-2, 60.482-3, 60.482-7.

Subpart OOOO

17. In 2012, the EPA promulgated “Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution” under section 111 of the CAA. 77 Fed. Reg. 49,542 (Aug. 16, 2012).

18. Each of these standards is a “standard of performance” within the meaning of section 111(a)(1) of the CAA, 42 U.S.C. § 7411(a)(1), or a “design, equipment, work practice, or operational standard, or combination thereof” under section 111(h) of the CAA, 42 U.S.C. § 7411(h). These standards are set forth in 40 C.F.R part 60, subpart OOOO (subpart OOOO), §§ 60.5360–5430.

19. Subpart OOOO applies to “affected facilities” for which owners or operators commence construction, modification or reconstruction after August 23, 2011, and on or before September 18, 2015.¹ 40 C.F.R. § 60.5365.

20. “Affected facilities” must be in compliance with the standards of subpart OOOO by October 15, 2012 or upon startup, whichever is later. 40 C.F.R. § 60.5370.

21. An “affected facility” in a natural gas processing plant for purposes of subpart OOOO is “the group of all equipment, except compressors, within a process unit.” 40 C.F.R. § 60.5365(f).

22. A natural gas processing plant is “any processing site engaged in the extraction of natural gas liquids from field gas, fractionation of mixed natural gas liquids to natural gas products, or both.” 40 C.F.R. § 60.5430. “Onshore” means all facilities except those that are located in the territorial seas or on the outer continental shelf. 40 C.F.R. § 60.5430.

23. Subpart OOOO defines “process unit” as “components assembled for the extraction of natural gas liquids from field gas, the fractionation of the liquids into natural gas products, or other

¹ The 2012 subpart OOOO rulemaking also amended subpart KKK to apply to affected facilities at natural gas processing plants for which construction, modification or reconstruction commenced after January 20, 1984, and on or before August 23, 2011. 77 Fed. Reg. 49,490 (August 16, 2012).

operations associated with the processing of natural gas products. A process unit can operate independently if supplied with sufficient feed or raw materials and sufficient storage facilities for products.” 40 C.F.R. § 60.5430.

24. Subpart OOOO defines “equipment” as each pump, pressure relief device, open-ended valve or line, valve, and flange or other connector that is in VOC service or in wet gas service, and any device or system required by subpart OOOO. 40 C.F.R. § 60.5430.

25. A “modification” that triggers the applicability of subpart OOOO includes the addition or replacement of equipment for the purpose of process improvement that increases emissions, unless the equipment addition or replacement is accomplished without a “capital expenditure.” 42 U.S.C. § 7411(a)(4); 40 C.F.R. §§ 60.2, 60.5365(f)(1).

26. Subpart OOOO incorporates certain provisions of 40 C.F.R. part 60, subpart VVa (subpart VVa) by reference. *See* 40 C.F.R. §§ 60.5400, 60.482-1a(a), (b), (d), 60.482-2a, 60.482-4a to 60.482-11a. These subpart VVa provisions require owners and operators of “affected facilities” to monitor equipment such as pumps, valves, and connectors for leaks, repair leaks, and fulfill recordkeeping, and reporting responsibilities.

27. Owners or operators of natural gas processing plants subject to subpart OOOO must use Method 21 to monitor leaks from equipment. 40 C.F.R. §§ 60.5400(d), 60.485a, Appendix A-7 to 40 C.F.R. Part 60. For purposes of subpart OOOO, a leak is detected from pumps in natural gas processing plants if the detection instrument reading is 2,000 ppm or greater, and from valves and connectors if the detection instrument reading is 500 ppm or greater. 40 C.F.R. §§ 60.482-2a, 60.487-7a, 60.482-11a.

28. With certain exceptions not relevant here, subpart OOOO requires the following:

a. An owner or operator must monitor pumps, valves, and connectors in gas/vapor or light liquid service initially and at specified frequencies thereafter. 40 C.F.R. §§ 60.5400(a), 60.482-2a(a), 60.482-7a(a), (c), 60.482-11a(a), (b)(3). If any such equipment is found leaking equal to or in excess of the applicable regulatory threshold, the owner or operator must make a first attempt at repair no later than five calendar days after each leak is detected, and in any event to repair each leak as soon as practicable, but not later than fifteen calendar days after detection. 40 C.F.R. §§ 60.5400(a), 60.5401(b), 60.482-2a(b)(1), (c), 60.482-7a(b), (d), 60.482-11a(b)(2), (d).

b. An owner or operator must initially monitor all connectors in gas/vapor and light liquid service in a process unit for leaks greater than or equal to 500 ppm by the later of 12 months after the compliance date or after initial startup. 40 C.F.R. §§ 60.5400(a), 60.482-11a(a).

c. Subsequent to the initial monitoring of all connectors in gas/vapor and light liquid service for leaks greater than or equal to 500 ppm, an owner or operator must perform monitoring within twelve months of determining that the percentage of leaking connectors in a process unit was greater than or equal to 0.5 percent. 40 C.F.R. §§ 60.5400(a), 60.482-11a(b)(3)(i).

d. Subpart OOOO valves that an owner or operator designates as “difficult-to-monitor” are exempt from the monthly or quarterly monitoring requirements of 40 C.F.R. § 60.482-7a(a) so long as the owner or operator designates no more than 3.0 percent of the total number of valves as “difficult-to-monitor.” 40 C.F.R. §§ 60.5400(a), 60.482-7a(h)(2)(ii).

e. Subpart OOOO also requires certain recordkeeping and reporting. 40 C.F.R. §§ 60.5400(e), 60.486a, 60.487a. Owners and operators must attach a weatherproof and readily visible identification to each piece of leaking equipment and must maintain a recordkeeping system that identifies, *inter alia*, the dates of a) detection of each leak in excess of subpart OOOO leak definitions, b) attempts to repair the leaking equipment and the repair method used, and c) any process unit shutdowns while the equipment remains unrepaired. 40 C.F.R. §§ 60.486a(b), 60.486a(c). Owners and operators must also include in semiannual reports to the Administrator certain information, including the number of pumps, valves, and connectors for which leaks in excess of subpart OOOO leak definitions were detected. 40 C.F.R. § 60.487a(c).

National Emission Standards for Hazardous Air Pollutants

29. Section 112(d) of the CAA authorizes the Administrator of the EPA to promulgate regulations establishing emission standards for “major sources” of hazardous air pollutants (HAPs). 42 U.S.C. § 7412(d).

30. A “major source” under section 112 includes any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit considering controls, in the aggregate, 10 tons per year or more of any HAP. 42 U.S.C. § 7412(a)(1).

31. HAPs are chemical compounds listed in section 112(b) of the CAA that present or may present a threat of adverse human health effects or adverse environmental effects. 42 U.S.C. § 7412(a)(6), (b).

32. No person is permitted to operate a major source in violation of an applicable emission standard after the standard has gone into effect. 42 U.S.C. § 7412(i)(3).

Subpart HH

33. In 1999, the EPA promulgated “National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities” under section 112 of the CAA. 64 Fed. Reg. 32,628 (June 17, 1999). The EPA amended these standards in 2012. 77 Fed. Reg. 49,568 (August 16, 2012). These standards are set forth in 40 C.F.R. part 63, subpart HH (subpart HH), 40 C.F.R. §§ 63.760–777.

34. Each of these standards is an “emission standard” within the meaning of section 112(d) of the CAA, 42 U.S.C. § 7412(d), or a “design, equipment, work practice, or operational standard, or combination thereof” under section 112(h) of the CAA, 42 U.S.C. § 7412(h).

35. Subpart HH incorporates certain provisions of 40 C.F.R. part 61, subpart V (subpart V), by reference. *See* 40 C.F.R. §§ 63.769(c), 61.241–247. These subpart V provisions require owners and operators of regulated facilities to monitor equipment intended to operate in volatile hazardous air pollutant (VHAP) service, such as pumps and valves, for leaks of air pollutants, repair leaks, and fulfill recordkeeping and reporting requirements.

36. Owners and operators of natural gas processing plants subject to subpart HH must use Method 21 in monitoring leaks from equipment. 40 C.F.R. §§ 63.769(c), 61.245(b), Appendix A-7 to 40

C.F.R. Part 60. For purposes of subpart HH, a leak is detected from valves in natural gas processing plants if the detection instrument reading is 500 ppm or greater. 40 C.F.R. § 63.769(c).

37. Subpart HH applies to owners and operators of “affected sources” at oil and natural gas production facilities that are “major sources” of HAPs. 40 C.F.R. §§ 63.2, 63.760(a). For major sources, affected sources include the group of all ancillary equipment, except compressors, intended to operate in VHAP service located at natural gas processing plants. 40 C.F.R. § 63.760(b)(1)(iii).

38. For the purpose of major source determination, facility (including a building, structure, or installation) means “oil and natural gas production and processing equipment that is located within the boundaries of an individual surface site Examples of facilities in the oil and natural gas production source category include . . . natural gas processing plants.” 40 C.F.R. § 63.761.

39. A “natural gas processing plant” is “any processing site engaged in the extraction of natural gas liquids from field gas, or the fractionation of mixed N[atural] G[as] L[iquids] to natural gas products, or a combination of both.” 40 C.F.R. § 63.761.

40. Under subpart HH, owners and operators are required to monitor valves in VHAP service, except for equipment subject to and controlled under subpart OOOO requirements. Beginning October 15, 2012,² a leak is detected from valves in VHAP service if the detection instrument reading is 500 ppm or greater.

41. With certain other exceptions not relevant here, owners and operators must make a first attempt at repair no later than five days after each leak is detected, and in any event to repair each leak as soon as practicable, but not later than fifteen days after detection, except for leaks detected before October 15, 2013. For leaks detected before October 15, 2013, owners or operators must repair the equipment within fifteen days after detection or by October 15, 2013, whichever is later. 40 C.F.R. §§ 63.769(c), 61.242-7(d).

42. Owners and operators must also satisfy certain recordkeeping and reporting obligations. 40 C.F.R. §§ 63.769(c), 63.774–775, 61.246–247.

Findings of Fact

43. The EPA issued requests for information, under section 114 of the CAA, 42 U.S.C. § 7414, to Kerr-McGee on September 16, 2015, and April 16, 2016.

44. Kerr-McGee responded to the September 16, 2015 request for information on November 19, 2015. Kerr-McGee responded to the April 16, 2016 request for information on July 6, 2016.

² Subparts HH and OOOO were revised by final rule promulgated August 16, 2012 and effective October 15, 2012. These revisions lowered the Subpart HH leak definition for valves in VHAP service at natural gas processing plants from 10,000 ppm to 500 ppm. Owners and operators of Subpart HH affected sources constructed before August 23, 2011 were required to comply with this lower leak definition by October 15, 2013. 77 Fed. Reg. at 49,503.

45. Kerr-McGee's responses included semiannual reports submitted under subparts KKK and OOOO, leak detection and repair (LDAR) monitoring and repair record management databases, and other records.

46. Based on its review of the LDAR information referenced in Paragraph 45, the EPA makes the factual findings and alleges the violations described below.

47. Kerr-McGee is a Colorado limited liability company with its corporate headquarters in The Woodlands, Texas. It is wholly owned by WGR Operating, LP, and its ultimate corporate parent is Anadarko Petroleum Corporation.

48. Kerr-McGee is a "person" within the meaning of section 302(e) of the CAA, 42 U.S.C. § 7602(e).

49. Kerr-McGee is the "owner and operator" of three contiguous onshore natural gas processing plants comprising the Fort Lupton Complex within the meaning of sections 111(a)(5) and 112(a)(9) of the CAA. 42 U.S.C. §§ 7411(a)(5), 7412(a)(9).

50. The Fort Lupton Plant has been owned and operated by Kerr-McGee or its predecessor in interest since 1999. Kerr-McGee acquired the Platte Valley Plant in 2011. Kerr-McGee built the Lancaster Plant in 2014.

51. The Fort Lupton Complex is located on County Road 22 in Fort Lupton, Weld County, Colorado.

52. The EPA has designated the following counties in Colorado as being in nonattainment with the 2008 and 2015 National Ambient Air Quality Standard (NAAQS) for ozone: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, and portions of Larimer and Weld Counties ("Denver Nonattainment Area"). *See* 77 Fed. Reg. 30,088 (May 21, 2012); 83 Fed. Reg. 25,792 (June 4, 2018).

53. The Fort Lupton Complex is located in an area designated as being in nonattainment with the 2008 and 2015 ozone NAAQS.

54. The Fort Lupton Plant, the Lancaster Plant, and the Platte Valley Plant are a group of stationary sources within the meaning of CAA section 111(a)(2), 42 U.S.C. § 7411(a)(2).

55. The Fort Lupton Plant, the Lancaster Plant, and the Platte Valley Plant are located within a contiguous area and are under common control. 40 C.F.R. §§ 63.761, 63.2.

56. The Fort Lupton Plant, the Platte Valley Plant, and the Lancaster Plant are "natural gas processing plants" within the meaning of subparts KKK, OOOO, or HH, as applicable. 40 C.F.R. §§ 60.631, 60.5430, 63.761.

57. When pumps, valves, connectors, pressure release valves, compressors, or other equipment used at the Fort Lupton Complex leak, they can release VOCs and HAPs into the atmosphere within the Denver Nonattainment Area.

58. VOCs form ground-level ozone by reacting with sources of oxygen molecules, *e.g.*, nitrogen oxides and carbon monoxide, in the atmosphere in the presence of sunlight.

Subpart KKK

59. The Fort Lupton Plant and the Platte Valley Plant are each an “onshore natural gas processing plant” within the meaning of 40 C.F.R. § 60.630.

60. Kerr-McGee was subject to the requirements of subpart KKK with respect to the Fort Lupton Plant from the date Kerr-McGee acquired the facility in 1999 until approximately June 2013.

61. Kerr-McGee was subject to the requirements of subpart KKK as to equipment in VOC service or wet gas service in all process units at the Platte Valley Plant beginning with its acquisition in March 2011. The Train 2, Regen, and Inlet process units of the Platte Valley Plant became subject to subpart OOOO when equipment installation projects were implemented in November 2011 and in March and August 2013, respectively.

62. The Fort Lupton Plant and the Platte Valley Plant contain “new sources” under subpart KKK within the meaning of section 111(a)(2) of the CAA, 42 U.S.C. § 7411(a)(2).

63. The Fort Lupton Plant and the Platte Valley Plant contain multiple “process units” within the meaning of 40 C.F.R. § 60.631.³

64. The Fort Lupton Plant and the Platte Valley Plant contain “equipment” within the meaning of 40 C.F.R. § 60.631.

Subpart OOOO

65. The Fort Lupton Plant, the Lancaster Plant, and the Platte Valley Plant are each an “onshore natural gas processing plant” within the meaning of 40 C.F.R. § 60.5430.

66. Kerr-McGee has been subject to the requirements of subpart OOOO with respect to the Fort Lupton Plant since at least approximately July 2013, after Kerr-McGee completed various construction projects and process modifications.

67. Kerr-McGee has been subject to the requirements of subpart OOOO with respect to the Lancaster Plant since Kerr-McGee began operating the facility in April 2014.

68. In 2011, Kerr-McGee undertook an equipment installation project at the Train 2 process unit of the Platte Valley Plant, adding pressure relief devices and 59 new valves by no later than November 3, 2011.

69. Kerr-McGee has been required to comply with subpart OOOO at the Train 2 process unit at the Platte Valley Plant from October 15, 2012 to present.

³ This Notice of Violation’s allegations rely on Kerr-McGee’s designation of the process units at the plants in communications with EPA. The EPA reserves its right to modify the allegations if more current or accurate information regarding process unit designations becomes available.

70. In 2013, Kerr-McGee undertook an equipment installation project at the Regen process unit of the Platte Valley Plant, adding 52 new valves by no later than March 31, 2013.

71. Kerr-McGee has been subject to subpart OOOO at the Regen process unit at the Platte Valley Plant from approximately April 1, 2013 to the present.

72. In 2013, Kerr-McGee undertook an equipment installation project at the Inlet process unit of the Platte Valley Plant, adding pressure relief devices and 58 new valves by no later than August 15, 2013.

73. Kerr-McGee has been subject to subpart OOOO at the Inlet process unit at the Platte Valley Plant from approximately August 16, 2013 to the present.

74. The equipment installation projects completed at the Platte Valley Plant in the Train 2 process unit in 2011, and in the Regen and Inlet process units in 2013, each constituted a "modification" under section 111(a)(4) of the CAA. 42 U.S.C. § 7411(a)(4); 40 C.F.R. §§ 60.14, 60.5365(f)(1).

75. The Fort Lupton Plant, the Lancaster Plant, and the Platte Valley Plant contain "new sources" under subpart OOOO within the meaning of section 111(a)(2) of the CAA, 42 U.S.C. § 7411(a)(2).

76. The Fort Lupton Plant, the Lancaster Plant, and the Platte Valley Plant contain multiple "process units" within the meaning of 40 C.F.R. § 60.5430.

77. The Fort Lupton Plant, the Lancaster Plant, and the Platte Valley Plant contain "equipment" within the meaning of 40 C.F.R. § 60.5430.

Subpart HH

78. The Platte Valley Plant is a "natural gas processing plant" within the meaning of 40 C.F.R. § 63.761.

79. Based upon the facility's reported potential to emit greater than 10 tons per year of Formaldehyde (CAS No. 50000), a listed HAP under section 112(b)(1) of the Act, the Platte Valley Plant has been a "major source" under the CAA and subject to subpart HH at least since March 2011, when it was acquired by Defendant. 42 U.S.C. § 7412(a)(1); 40 C.F.R. §§ 63.2, 63.760. Accordingly, Defendant has been subject to the equipment leak standards of subpart HH with respect to all ancillary equipment intended to operate in VHAP service at the Platte Valley Plant, except for ancillary equipment in process units subject to and controlled under (a) subpart OOOO, or (b) subpart KKK from March 2011 until October 15, 2012. 40 C.F.R. §§ 63.760, 63.769.

80. Alternatively, due to the emissions from the contiguous and commonly controlled plants at the Fort Lupton Complex of 10 tons per year or more of Formaldehyde, Kerr-McGee has been subject to the equipment leak standards of subpart HH with respect to all ancillary equipment intended to operate in VHAP service at the Platte Valley Plant, except for any ancillary equipment subject to and

controlled under subpart OOOO. Kerr-McGee has been subject to these subpart HH requirements since at least March 2014, three years after the Platte Valley Plant was acquired by Kerr-McGee and thus came under its common control along with the Fort Lupton Plant and became a “major source” under the CAA and subpart HH. 42 U.S.C. §§ 7412(a)(1), 7412(b)(1); 40 C.F.R. §§ 63.2, 63.760(f), 63.769(b).

Alleged Violations

81. The EPA alleges Kerr-McGee violated the following applicable requirements at the Fort Lupton Complex:

Platte Valley Plant		
<i>Paragraph</i>	<i>Regulatory Authority</i>	<i>Alleged Violation</i>
a.	Subpart OOOO: 40 C.F.R. §§ 60.5400(a), 60.482-2a(b)(1), (c)(2), 60.482-7a(b), (d)(2).	From approximately October 15, 2012, until at least December 8, 2015, Kerr-McGee failed to make a first attempt at repair of leaks above the applicable regulatory threshold in 159 pumps and valves at the Train 2 process unit; from approximately April 1, 2013, until at least December 8, 2015, Kerr-McGee failed to make a first attempt at repair of leaks above the applicable regulatory threshold in 28 valves at the Regen process unit; and from approximately August 16, 2013, until at least December 8, 2015, Kerr McGee failed to make a first attempt at repair of leaks above the regulatory threshold for 73 valves in the Inlet process unit within five days after each leak was detected, in violation of 40 C.F.R. §§ 60.5400(a), 60.482-2a(b)(1), (c)(2), 60.482-7a(b), (d)(2), and section 111 of the CAA, 42 U.S.C. § 7411.
b.	Subpart OOOO: 40 C.F.R. §§ 60.5400(a), 60.482-2a(b)(1), (c)(1), 60.482-7a(b), (d)(1).	From approximately October 15, 2012, until at least December 8, 2015, Kerr-McGee failed to repair 158 pumps and valves at the Train 2 process unit; from approximately April 1, 2013, until at least December 8, 2015, Kerr-McGee failed to repair 28 valves at the Regen process unit; and from approximately August 16, 2013, until at least December 8, 2015, Kerr McGee failed to repair 73 valves in the Inlet process unit, within fifteen calendar days of identifying them to have been leaking above the applicable regulatory threshold, in violation of 40 C.F.R. §§ 60.5400(a), 60.482-2a(b)(1), (c)(1), 60.482-7a(b), (d)(1), and section 111 of the CAA, 42 U.S.C. § 7411.

c.	Subpart OOOO: 40 C.F.R. §§ 60.5400(a), 60.482-11a(a), (b).	From approximately October 15, 2012, until at least December 8, 2015, at the Train 2 process unit; from approximately April 1, 2013, until at least December 8, 2015, at the Regen process unit; and from approximately August 16, 2013, until at least December 8, 2015, at the Inlet process unit, Kerr-McGee failed to monitor connectors for leaks above the applicable regulatory threshold, in violation of 40 C.F.R. §§ 60.5400(a), 60.482-11a(a), (b), and section 111 of the CAA, 42 U.S.C. § 7411.
d.	Subpart OOOO: 40 C.F.R. §§ 60.5400(a), 60.482-7a(c).	For 146 valves found leaking above 500 ppm at the Train 2 process unit from approximately October 15, 2012, until at least December 8, 2015; for 28 valves found leaking above 500 ppm at the Regen process unit from approximately April 1, 2013, until at least December 8, 2015; and for 71 valves found leaking above 500 ppm at the Inlet process unit from approximately August 16, 2013, until at least December 8, 2015, Kerr-McGee failed to monitor monthly until a leak is not detected for two successive months, in violation of 40 C.F.R. §§ 60.5400(a), 60.482-7a(c), and section 111 of the CAA, 42 U.S.C. § 7411.
e.	Subpart HH: 40 C.F.R. §§ 63.769(c), 61.242-7(d)(2).	Based on the applicability date in Paragraph 79, for approximately 251 valves in VHAP service at the Platte Valley Plant, Kerr-McGee failed to make a first attempt at repair within five days after detecting leaks, where leaks were detected from approximately October 11, 2013, at least until December 8, 2015, in violation of 40 C.F.R. §§ 63.769(c) and 61.242-7(d)(2), and section 112 of the CAA, 42 U.S.C. § 7412.
f.	Subpart HH: 40 C.F.R. §§ 63.769(c), 61.242-7(d)(1).	Based on the applicability date in Paragraph 79, for approximately 159 valves in VHAP service at the Platte Valley Plant, Kerr-McGee failed to repair, by October 15, 2013, leaks from valves, where leaks were detected from approximately October 15, 2012, until September 30, 2013, in violation of 40 C.F.R. §§ 63.769(c) and 61.242-7(d)(1), and section 112 of the CAA, 42 U.S.C. § 7412.
g.	Subpart HH: 40 C.F.R. §§ 63.769(c), 61.242(d)(1).	Based on the applicability date in Paragraph 79, for approximately 251 valves in VHAP service at the Platte Valley Plant, Kerr-McGee failed to repair the valves within fifteen days of detecting leaks, where leaks were detected from approximately October 1, 2013, at least until December 8, 2015, in violation of 40 C.F.R. §§ 63.769(c) and 61.242-7(d)(1), and section 112 of the CAA, 42 U.S.C. § 7412.

h.	Subpart HH: 40 C.F.R. §§ 63.769(c), 61.242-7(d)(2).	Based on the applicability date in Paragraph 80, for approximately 182 valves in VHAP service at the Platte Valley Plant, Kerr-McGee failed to make a first attempt at repair within five days after detecting leaks, where leaks were detected from approximately March 1, 2014, until at least December 8, 2015, in violation of 40 C.F.R. §§ 63.769(c), 61.242-7(d)(2), and section 112 of the CAA, 42 U.S.C. § 7412.
i.	Subpart HH: 40 C.F.R. §§ 63.769(c), 61.242(d)(1).	Based on the applicability date in Paragraph 80, for 182 valves in VHAP service at the Platte Valley Plant, Kerr-McGee failed to repair the valves within fifteen days after detecting leaks, where leaks were detected from approximately March 1, 2014 at least until December 8, 2015, in violation of 40 C.F.R. §§ 63.769(c) and 61.242-7(d)(1), and section 112 of the CAA, 42 U.S.C. § 7412.
j.	Subpart KKK: 40 C.F.R. §§ 60.632(a), 60.633(b), 60.482-2, 60.482-3, 60.482-7.	From approximately July 13, 2012, until at least December 8, 2015, Kerr-McGee failed to repair approximately 28 leaking pumps, pressure relief devices, valves, and compressors located in process units at the Platte Valley Plant within fifteen calendar days of detection, in violation of, as applicable, 40 C.F.R. §§ 60.632(a), 60.633(b), 60.482-2, 60.482-3, 60.482-7, 60.482-9, and section 111 of the CAA, 42 U.S.C. § 7411.

Fort Lupton Plant		
Paragraph	Regulatory Authority	Alleged Violation
k.	Subpart OOOO: 40 C.F.R. §§ 60.5400(a), 60.482-11a(b)(3)(i).	As of approximately July 1, 2015, Kerr-McGee had failed to monitor approximately 3,807 connectors located in the NGL process unit at the Fort Lupton Plant for leaks within twelve months of the initial monitoring period when it should have determined from available monitoring results that the percentage of leaking connectors in the process unit was greater than or equal to 0.5 percent, in violation of 40 C.F.R. §§ 60.5400(a), 60.482-11a(b)(3)(i), and section 111 of the CAA, 42 U.S.C. § 7411.
l.	Subpart KKK: 40 C.F.R. §§ 60.632(a), 60.633(b), 60.482-2, 60.482-7, 60.482-9.	From approximately December 15, 2012, until at least June 30, 2013, Kerr-McGee failed to repair approximately 3 leaking valves located in process units at the Fort Lupton Plant within fifteen calendar days of detection, in violation of, as applicable, 40 C.F.R. §§ 60.632(a), 60.482-7, 60.482-9, and section 111 of the CAA, 42 U.S.C. § 7411.


m.	Subpart OOOO: 40 C.F.R. §§ 60.5400(a), 60.5401(b), 60.482- 2a, 60.482-7a, 60.482-9a, 60.482- 11a.	From approximately July 3, 2013, until at least December 8, 2015, Kerr-McGee failed to repair approximately 88 leaking pumps, valves, pressure relief devices, and connectors located in process units at the Fort Lupton Plant within fifteen calendar days of detection, in violation of, as applicable, 40 C.F.R. §§ 60.5400(a), 60.5401(b), 60.482-2a, 60.482-7a, 60.482-9a, 60.482-11a, and section 111 of the CAA, 42 U.S.C. § 7411.
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Lancaster Plant		
Paragraph	Regulatory Authority	Alleged Violation
n.	Subpart OOOO: 40 C.F.R. §§ 60.5400(a), 60.482- 11a(a).	As of approximately May 1, 2015, Kerr-McGee had failed to monitor approximately 12,732 connectors located in eight process units at the Lancaster Plant within twelve months after their initial startup in April 2014, in violation of 40 C.F.R. §§ 60.5400(a), 60.482-11a(a), and section 111 of the CAA, 42 U.S.C. § 7411.
o.	Subpart OOOO: 40 C.F.R. §§ 60.5400(a), 60.482- 2a, 60.482-7a, 60.482- 9a, 60.482-11a.	From approximately September 5, 2014 until at least December 28, 2015, Kerr-McGee failed to repair 35 leaking pumps, valves, and connectors located in process units at the Lancaster Plant within fifteen calendar days of detection, in violation of, as applicable, 40 C.F.R. §§ 60.5400(a), 60.482-2a, 60.482-7a, 60.482-9a, 60.482-11a, and section 111 of the CAA, 42 U.S.C. § 7411.
p.	Subpart OOOO: 40 C.F.R. §§ 60.5400(a), 60.482- 7a(h)(2)(ii).	Between approximately 2014 and 2016, Kerr-McGee designated more than 3.0 percent of the valves in the Amine 1A, Cryogenic, NGL Storage, and Refrigeration process units at the Lancaster Plant as “difficult-to-monitor,” resulting in approximately 774 missed monitoring events, in violation of 40 C.F.R. §§ 60.5400(a), 60.482-7a(h)(2)(ii), and section 111 of the CAA, 42 U.S.C. § 7411.

Enforcement Authority

82. Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), provides that whenever, on the basis of any information available to the Administrator, the Administrator finds that any person has violated, or is in violation of, any requirement or prohibition of sections 111 and 112 of the CAA, 42 U.S.C. §§ 7411, 7412, including a requirement or prohibition of any rule promulgated under sections 111 and 112 of the CAA, the Administrator may issue an administrative penalty order under section 113(d), issue an order requiring compliance with such requirement or prohibition, or bring a civil action pursuant to section 113(b) for injunctive relief and civil penalties.

2/27/19
Date


Suzanne J. Bohan
Assistant Regional Administrator
Office of Enforcement, Compliance and
Environmental Justice

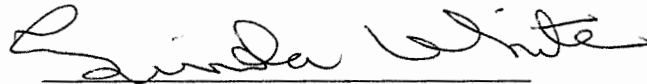
CERTIFICATE OF MAILING

I, Linda White, certify that I sent a Notice of Violation by Certified Mail, Return Receipt Requested, to:

Eric Groten
Vinson & Elkins LLP
2801 Via Fortuna Suite 100
Austin, Texas 78746-7568

X Julia Jones
Anadarko Petroleum Corporation
1099 18th Street Suite 1800
Denver, Colorado 80202

On the 28 day of February 28 2019



Linda White
Legal Secretary
8ENF-L

CERTIFIED MAIL RECEIPT NUMBER: 7012-2210-0000-5373-6584

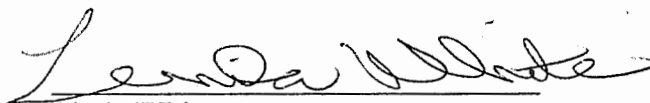
CERTIFICATE OF MAILING

I, Linda White, certify that I sent a Notice of Violation by Certified Mail, Return Receipt Requested, to:

X Eric Groten
Vinson & Elkins LLP
2801 Via Fortuna Suite 100
Austin, Texas 78746-7568

Julia Jones
Anadarko Petroleum Corporation
1099 18th Street Suite 1800
Denver, Colorado 80202

On the 28 day of February 2019



Linda White
Legal Secretary
8ENF-L

CERTIFIED MAIL RECEIPT NUMBER: 7012 2210 0000 5373 6577

ENCLOSURE 2

Confidential Business Information (CBI) Assertion and Substantiation Requirements

You may assert a business confidentiality claim for any business information entitled to confidential treatment under section 114(c) of the Clean Air Act (CAA), 42 U.S.C. § 7414(c), and 40 C.F.R. part 2, subpart B. Under section 114(c) of the CAA, you are entitled to confidential treatment of information that would divulge methods or processes entitled to protection as trade secrets. Under 40 C.F.R. part 2, subpart B, business confidentiality means “the concept of trade secrecy and other related legal concepts which give (or may give) a business the right to preserve the confidentiality of business information and to limit its use or disclosure by others in order that the business may obtain or retain business advantages it derives from its rights in the information.” See 40 C.F.R. § 2.201(e). Information covered by a claim of business confidentiality will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in section 114(c) of the CAA and 40 C.F.R. part 2, subpart B.

The criteria the EPA will use in determining whether material you claim as business confidential is entitled to confidential treatment are set forth at 40 C.F.R. §§ 2.208 and 2.301. These regulations provide, among other things, that you must satisfactorily show that: (1) the information is within the scope of business confidentiality as defined at 40 C.F.R. § 2.201(e); (2) you have taken reasonable measures to protect the confidentiality of the information and that you intend to continue to do so; (3) the information is not and has not been reasonably obtainable by legitimate means without your consent; and (4) the disclosure of the information is likely to cause substantial harm to your business’s competitive position. See 40 C.F.R. § 2.208 (a)-(e). “Emission data,” as defined at 40 C.F.R. § 2.301(a)(2), is expressly not entitled to confidential treatment under 40 C.F.R. part 2, subpart B. See 42 U.S.C. § 7414(c); 40 C.F.R. § 2.301(e).

If you assert a claim of business confidentiality, the EPA requests, in accordance with 40 C.F.R. § 2.204(e)(4), that you answer the following questions with respect to any information for which you assert a claim of business confidentiality:

1. What specific portions of the EPA’s Notice of Violation does Kerr-McGee Gathering LLC (Kerr-McGee) assert are entitled to confidential treatment? Specify by page, paragraph, and sentence/phrase when identifying the information subject to your claim.
2. For what period of time do you request that the information be maintained as confidential, e.g., until a certain date, until the occurrence of a specified event, or permanently? If the occurrence of a specific event will eliminate the need for confidentiality, specify that event. Additionally, explain why the information should be protected for the time period you have specified.
3. What measures have you taken to protect the information claimed as confidential from undesired disclosure? Have you disclosed the information to anyone other than a governmental body or someone who is bound by an agreement not to disclose the information further? If so, why should the information still be considered confidential?
4. Is the information contained in any publicly available material such as the Internet, publicly available databases, promotional publications, annual reports, or articles? Is there any means by which a member of the public could obtain access to the information? Is the information of a kind that you would customarily not release to the public?

5. Has any governmental body made a determination as to the confidentiality of the information? If so, please attach a copy of the determination.
6. For each category of information claimed as confidential, explain with specificity whether disclosure of the information is likely to result in substantial harm to your competitive position. Explain the specific nature of those harmful effects, why they should be viewed as substantial, and the causal relationship between disclosure and such harmful effects. How could your competitors make use of this information to your detriment?
7. Is there any other explanation you deem relevant to the EPA's determination of your business confidentiality claim that is not covered in the preceding questions? If so, you may provide such additional explanation.

Please submit your answers within fifteen working days of Kerr-McGee's receipt of this Notice of Violation if Kerr-McGee claims any information as business confidential. See 40 C.F.R.

§ 2.204(e)(2). The EPA will construe your failure to furnish timely comments as a waiver of your confidentiality claim, consistent with 40 C.F.R. § 2.204(e)(1). Please submit your comments to:

Jessica Portmess
U.S. EPA Region 8
1595 Wynkoop Street (ENF-L)
Denver, CO 80202-1129
303-312-7026

Pursuant to 40 C.F.R. § 2.205(c), you are hereby advised that information you submit as part of your comments may be regarded by the EPA as entitled to confidential treatment if, when it is received by the EPA, it is marked in accordance with 40 C.F.R. § 2.203(b). You may assert a business confidentiality claim covering all or part of your response to the above questions, as provided in 40 C.F.R. § 2.203(b). See 40 C.F.R. § 2.204(e)(6). Information covered by such a claim will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in section 114(c) of the CAA and 40 C.F.R. part 2. The EPA will construe the failure to furnish a confidentiality claim with your comments as a waiver of that claim, and the information may be made available to the public without further notice to you.