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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18TH STREET - SUITE 300
DENVER, CO 80202-2466
Phone 800-227-8917
<http://www.epa.gov/region08>

Ref: 8ENF-L

SEP 28 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ruth E. Pierce
Assistant General Counsel
Halliburton Law Department
2101 City West Blvd. Bldg. 2
Houston, TX 77402-3021

Re: Oil Spill Complaint & Consent Agreement

Dear Ms. Pierce:

I apologize for any confusion I may have caused by rambling about internal Agency deadlines and the like. As we discussed, I had committed to filing this action by today, regardless of its format. Accordingly, enclosed is a complaint and notice of opportunity for hearing for the oil spill at hand. Also enclosed is a consent agreement that reflects the settlement of the matter we discussed on the phone, and that EPA and the company are resolving the matter amicably. Please have the consent agreement signed by an appropriate official (I used Mr. Brown's name from the previous document) and return to me. I will have it filed with the regional hearing clerk so that the regional judicial officer can issue a final order. The penalty check will be due per the agreement.

Thank you for your cooperation. Please contact me for further discussion or questions. I can be reached at 303.312.6917, in writing at the address on the letterhead above, or via e-mail at janik.david@epa.gov.

Sincerely,

David J. Janik, Supervisory Attorney.
Legal Enforcement Program

Enclosures

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY 2007 SEP 28 PM 3:03
REGION 8

Docket No. CWA-08-2007-0028

EPA REGION VIII
HEARING CLERK

IN THE MATTER OF:)
)
Halliburton Energy Services) COMPLAINT AND NOTICE OF OPPORTUNITY FOR
) HEARING
)
Respondent.)

COMPLAINT

1. This is a civil administrative action commenced and concluded under the authority granted to the Administrator of the United States Environmental Protection Agency (EPA) by section 311(b) of the Federal Water Pollution Control Act, commonly known as the Clean Water Act (the Act), 33 U.S.C. § 1321(b), to assess administrative penalties against any person who discharges oil into or upon the navigable waters and adjoining shorelines of the United States in quantities that have been determined may be harmful to the public health or welfare or environment of the United States, or any person who violates the oil pollution prevention regulations, promulgated at 40 CFR part 112.. 33 U.S.C. § 1321(b). This determination includes discharges of oil that (1) violate applicable water quality standards, (2) cause a film, sheen, or discoloration of the surface of the water or the adjoining shoreline, or (3) cause a sludge or emulsion to be deposited beneath the surface of the water or the adjoining shoreline. 40 C.F.R. § 110.3. This authority has been properly delegated to the undersigned EPA officials.

2. This proceeding is subject to EPA's "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation or Suspension of Permits (Rules of Practice)," 40 C.F.R. part 22.

NOTICE OF OPPORTUNITY FOR A HEARING

3. Respondent has the right to a public hearing before a regional judicial officer to disagree with (1) any fact stated (alleged) by EPA in the complaint, (2) the grounds for any legal defense or (3) the appropriateness of the proposed penalty.

4. To disagree with the complaint and assert your right to a hearing, Respondent must file a written answer (and one copy) with the Regional Hearing Clerk (1595 Wynkoop; Denver, Colorado 80202) within 30 days of receiving this complaint. The answer must clearly admit, deny or explain the factual allegations of the complaint, the grounds for any defense, the facts you may dispute, and your specific request for a public hearing. Please see section 22.15 of the Rules of Practice for a complete description of what must be in the answer.

QUICK RESOLUTION

5. Respondent may resolve this proceeding at any time by paying the penalty amount proposed in the complaint. Such payment need not contain any response to, or admission of, the allegations in the complaint. Such payment constitutes a waiver of Respondent's right to contest the allegations and to appeal the final order. See section 22.18 of the Rules of Practice for a full explanation of the quick resolution process.

SETTLEMENT NEGOTIATIONS

6. EPA encourages discussing whether cases can be settled through informal settlement conferences. If you want to pursue the possibility of settling this matter, or have any other questions, contact the attorney listed below. **Please note that calling the attorney or requesting a settlement conference does NOT delay the running of the 30 day period for filing an answer and requesting a hearing.**

FACTUAL ALLEGATIONS

7. Respondent is Halliburton Energy Services, a "person" within the meaning of the Act, and thus subject to regulation. 33 U.S.C. §§ 1321(a)(7), 1362 (5).

8. On or about November 18, 2006, a vehicle owned and/or operated by Respondent was involved in the traffic accident on Road 300, 0.6 miles south of Parachute, in Garfield County, Colorado.

9. The vehicle discharged approximately 130 gallons of number 2 diesel into or upon the Colorado River and/or its adjoining shorelines.

10. Number 2 diesel fuel is an "oil" as defined in the Act. 33 U.S.C. § 1321(a)(1).

11. The Colorado River is one of the "navigable waters" defined in the Act. 33 U.S.C. § 1362(7).

12. Respondent's discharge from its vehicle caused a sheen upon, or discoloration of, or caused a sludge or emulsion to be deposited on the surface of the Colorado River and/or its adjoining shoreline.

13. Respondent's discharge constitutes a violation of section 311 (b)(3) of the Act.

PROPOSED PENALTY

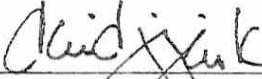
14. The Act authorizes the administrative assessment of a class I civil penalty of up to \$11,000 per day, for each violation of the Act, up to a maximum of \$32,500. 33 U.S.C. 1321(b)(6). The Act requires EPA to take into account the following factors in assessing a civil penalty: the seriousness of the violation, any economic benefit, the degree of culpability, any other penalty for the incident, history of violations, the nature, extent, and degree of success of efforts to minimize or mitigate the discharge, the economic impact of the penalty on the violator, and other matters justice may require. 33 U.S.C. 1321(b)(8). In this case, after considering all of the factors, as applied to the circumstances of the

incident, Respondent's size, and the nature of the river involved, EPA proposes that a penalty of \$ 3,410 be assessed for the discharge violation.

15. As required by the Act, prior to the assessment of a civil penalty , EPA will provide public notice of the proposed penalty, and reasonable opportunity for people to comment on the matter. 33 U.S.C. 1319(g)(4).

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY, REGION 8,
Office of Enforcement, Compliance, and
Environmental Justice,
Complainant.

Date: 9/28/2007

By: 
David J. Janik, Supervisory Enforcement Attorney
Legal Enforcement Program (ENF-L)
1595 Wynkoop
Denver, CO 80202-1129

Date: 9/28/07

By: 
Mark A. R. Chalfant, Director
Technical Enforcement Program

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

| | | |
|-----------------------------|------------|-------------------|
| | Docket No. | |
| In the Matter of: |) | |
| |) | |
| Halliburton Energy Services |) | Consent Agreement |
| |) | |
| Respondent. |) | |

Complainant, United States Environmental Protection Agency, Region 8 (EPA), and Respondent, Halliburton Energy Services, by their undersigned representatives, hereby consent and agree as follows:

1. On September 28, 2007, Complainant issued a Complaint alleging certain violations of the Federal Water Pollution Control Act, commonly known as the Clean Water Act (the Act). The Complaint proposed a civil penalty of \$3,410 for the violation alleged therein.

2. Respondent admits the jurisdictional allegations of the Complaint and neither admits nor denies the specific factual allegations of the Complaint.

3. Respondent waives its right to a hearing before any tribunal, to contest any issue of law or fact set forth in the Complaint, or this Consent Agreement.

4. This Consent Agreement, upon incorporation into a final order, applies to and is binding upon EPA and upon Respondent and Respondent's heirs, successors or 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. This Consent Agreement contains all terms of the settlement agreed to by the parties.

5. Respondent consents and agrees to pay a civil penalty in the amount of \$3,410 in the manner described below in this paragraph:

- a. Payment is due within 30 calendar days from the date written on the final order issued by the Regional Judicial Officer that adopts this Consent Agreement. If the due date falls on a weekend or legal federal holiday, the due date is the next business day. Payments must be received by 11:00 a.m. Eastern Standard Time to be considered as received that 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 this amount, payable to "Treasurer, United States of America," as indicated in the enclosed instruction sheet.

Copies of the check shall be sent simultaneously to:

Donna Inman
Technical Enforcement Program (8ENF-T)
U.S. EPA Region 8
1595 Wynkoop
Denver, CO 80202-1129

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY, REGION 8,

Complainant.

Date:

By:

David J. Janik, Supervisory Enforcement Attorney
Legal Enforcement Program

Date: _____

By:

Mark A.R. Chalfant, Director
Technical Enforcement Program

Halliburton Energy Services,

Respondent.

Date: _____

By:

James S. Brown
Senior Vice President
Western Hemisphere