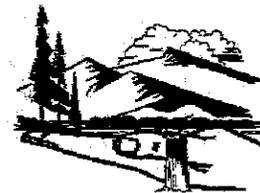




Department of Environmental Quality

*To protect, conserve and enhance the quality of Wyoming's
environment for the benefit of current and future generations.*



Matt Mead, Governor

John Corra, Director

January 4, 2011

Mr. Korby Bracken
Staff Environmental Analyst
Anadarko E & P Company, LP
1099 18th Street, Suite 1800,
Denver, CO 80202

Re: Notice of Violation

Dear Mr. Bracken:

Enclosed you will find a Notice of Violation (NOV) issued to Anadarko E & P Company, LP by the Department of Environmental Quality, Air Quality Division, for failing to comply with the permit requirement for maintaining and operating the flare during all periods of active battery operation at the Sussex B-2 Tensleep and C Production Battery located in Johnson County, Wyoming.

As the Department and this Division consider the failure to comply with air quality permit conditions to be a serious matter, I am considering recommending the Department refer this violation to the State Attorney General's office requesting a suit be filed in District Court to recover appropriate penalties. If you would like to discuss settlement of this Notice of Violation prior to referral to the Attorney General's office, please contact Ms. Karen Godman, Air Quality Compliance Program Principal, at 307-777-8601 no later than ten (10) days after receipt of this letter.

Should you have any questions or comments regarding this matter, please feel free to contact me or Ms. Karen Godman.

Sincerely,

Steven A. Dietrich
Administrator
Air Quality Division

cc: Robert Gill
Tanner Shatto
Nancy Vehr
Keith Guille



**BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

**IN THE MATTER OF THE NOTICE OF VIOLATION)
ISSUED TO ANADARKO E&P COMPANY, LP) DOCKET NO. 4790-11
MR. KORBY BRACKEN,)
STAFF ENVIRONMENTAL ANALYST,)
1099 18TH STREET, SUITE 1800)
DENVER, COLORADO 80202)**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Anadarko E & P Company, LP (Anadarko) to be in violation of permit MD-1247 issued in accordance with W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations at the Sussex B-2 Tensleep and C Production Battery located in Johnson County, Wyoming.

2. W.S. 35-11-801(a) states, "In granting permits, the Director may impose such conditions as may be necessary to accomplish the purpose of this act which are not inconsistent with the existing rules, regulations and standards."

3. Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations prescribes the applicability and procedures for issuing permits to sources under Wyoming's construction and modification permitting program.

4. Permit MD-1247 was issued to Anadarko E & P Company, LP on September 27, 2005. Condition 12 of permit MD-1247 states:

"Anadarko E & P Company shall maintain and operate the flare during all periods of active battery operation such that it remains effective as a viable emission control device. Records shall be maintained noting date and duration of times during active battery operation when the emission control device is not operational"

5. On August 9, 2010 the Air Quality Division received information from the US Fish and Wildlife Service regarding a flare malfunction at Anadarko's Sussex B2 Tensleep & C Production Battery that they believed resulted in the deaths of numerous birds, to include a Great Horned Owl. The Division conducted follow-up with Anadarko and found the following information: This flare malfunction resulted in venting of produced gas from the flare stack for approximately 20 days and further information provided indicates the flare vented 1,803,510 cubic feet of gas over the 20 days. Also during that time, 2.4 tons of Hydrogen Sulfide (H₂S), 29.3 tons of Volatile Organic Compounds (VOCs) and 0.1 Hazardous Air Pollutants (HAPs) were vented to the atmosphere.

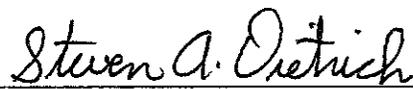
6. Said violation consists of failing to maintain and operate the flare during all periods of active battery operation such that it remains a viable emission control device. This is a direct violation of Condition 12 of permit MD-1247.

7. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental Quality Act] ... is subject to a penalty not to exceed ten thousand dollars (\$10,000.00) for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction.

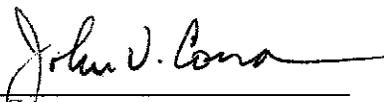
Anadarko E & P Company, LP
Notice of Violation
Page Two

8. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of the failure to correct or remedy an alleged violation, the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

DATED this 4th day of JANUARY, 2011.



Steven A. Dietrich
Administrator
Air Quality Division



John Corra
Director
Department of Environmental Quality

Please direct all inquiries to Steven A. Dietrich, Administrator, Division of Air Quality, Department of Environmental Quality, Herschler Building, 2nd Floor, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-7393.)