



Department of Environmental Quality

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



Matthew H. Mead, Governor

John Corra, Director

August 14, 2012

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 is a Notice of Violation issued to Anadarko E & P Company, LP for failing to obtain a construction permit prior to constructing and operating the PH Livestock 22-31 CDM multiple wellsite for wells 22-31, 11-31D, 31-31D, 13-31D and 24-31D. This violation was discovered during an inspection of this facility on June 28, 2012 conducted by Mr. Jeff Wendt, Air Quality Division Inspector. During the inspection, it was noted by Mr. Wendt that the thief hatches and Enardo valves on both condensate tanks and produced water tanks were observed venting vapors to the atmosphere. By failing to control emissions from the PH Livestock 22-31 CDM multiple wellsite facility, Anadarko E & P Company, LP has not followed the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance and is in direct violation of the construction permitting requirements of Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

As the Department and this Division consider the failure to comply with air quality permitting requirements 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 J. 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 J. Godman.

Sincerely,

Steven A. Dietrich
Administrator
Air Quality Division

cc: Bob Gill, Tony Hoyt, 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. 5034-12
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, L.P. (Anadarko) to be in violation of W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations in the construction and operation of the wet gas/condensate production facility PH Livestock 22-31 CDM multiple wellsite facility located in Sweetwater County, Wyoming.

2. W.S. 35-11-801(c) states, "A permit to construct is required before the construction or modification of any industrial facility capable of causing or increasing air or water pollution in excess of standards established by the department is commenced."

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. Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations states, "Any person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality, before any actual work is begun on the facility."

5. The Air Quality Division issued Chapter 6, Section 2 permitting guidance for Oil and Gas Production Facilities in June 1997 with a revision in November 1998, a revision in January 2000, a revision in August 2001 August 2007 and March 2010. This guidance was developed to familiarize oil and gas production facilities with the Wyoming air quality regulations and to provide guidance to these facilities on what the Air Quality Division would accept as meeting the intent of Wyoming's regulatory requirement to obtain a construction permit prior to the construction or operation of new air emission sources (Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations). Companies may follow the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance, or must, prior to construction of a new air emission source, obtain a Chapter 6, Section 2 permit. The Concentrated Development Area (CDA) section specifically covers facilities within Sweetwater County, Wyoming. The March 2010 revision specifically requires that for all CDA facilities, unless a permit is issued prior to start up, a C6 S2 Oil & Gas Production Facilities permit application shall be filed within 90 days of the First Date of Production for a new facility or Date of Modification of an existing facility. New CDA PAD facilities and modified facilities require installation and operation of controls for all new and all existing flashing unit emissions upon First Date of Production.

6. On June 28, 2012, Mr. Jeff Wendt, Air Quality Division Inspector, observed serious leaking of VOCs from thief hatches and Enardo valves on condensate tanks and water tanks at this facility. In accordance with the C6 S2 Oil and Gas Production Facilities Permitting Guidance, March 2010, emissions from the hydrocarbon liquid storage tanks, pressure vessels and new dehydration units should have been controlled upon first date of production, not vented through the thief hatches and Enardo valves on condensate tanks and produced water tanks. By failing to control emissions from the wells listed above, Anadarko has not followed the Oil and Gas Production Facilities Chapter 6, Section 2 Permitting Guidance and is in direct violation of the construction permitting requirements of Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

7. Said violation consists of the failure to obtain a construction permit prior to constructing or modifying PH Livestock 22-31 CDM facility in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations.

8. 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.

9. 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 14th day of AUGUST, 2012.



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.)