



# Department of Environmental Quality



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

Dave Freudenthal, Governor

John Corra, Director

January 30, 2007

CERTIFIED MAIL

Mr. Alan Williams  
Environmental Health & Safety Manager  
Anadarko Petroleum Corporation  
1999 Broadway, Suite 3700  
Denver, Colorado 80202

*RE: Notice of Violation, Docket Number 3999-07*

Dear Mr. Williams:

Enclosed is a copy of Notice of Violation, Docket Number 3999-07, for the unpermitted discharge of produced water and crude oil into waters of the state by Howell Petroleum Corporation (Howell), a wholly owned subsidiary of Anadarko Petroleum Corporation (Anadarko). From November 2, 2005 through December 15, 2006, Howell reported 136 total spills in the Salt Creek Field to the Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD). Of the 136 spills, 17 reached live waters of the state. Additionally, Anadarko reported one spill of coal bed methane (CBM) produced water from the County Line Field which reached the Powder River. These are violations of the Wyoming Environmental Quality Act (Act) and the Wyoming Water Quality Rules and Regulations (WWQRR).

While neither the attached Notice of Violation nor this letter constitute an order, it is the recommendation of this office that you take action to eliminate the alleged violation as follows:

1. Howell should inform the WQD of the steps taken to prevent this type of an unpermitted discharge from occurring again in the future. This information should be received by the WQD on or before February 22, 2007.

Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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Mr. Alan Williams  
January 30, 2007  
Page 2

The WQD has the authority to resolve violations with an out-of-court settlement agreement through the payment of a penalty by Howell and Anadarko. If Howell and Anadarko wish to pursue resolution of the previously noted violations through such an agreement, please contact Mr. Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator at (307) 777-8669, on or before February 22, 2007 to set up a meeting to discuss this matter.

  
\_\_\_\_\_  
John V. Corra  
Director  
Department of Environmental Quality

  
\_\_\_\_\_  
John F. Wagner  
Administrator  
Water Quality Division

JVC/JFW/BRB/bb/7-0088.LTR

Enclosure: Notice of Violation

cc: Julie Orr, 8ENF-W-NP, EPA Region 8  
Donna Inman, 8ENF-UFO, EPA Region 8  
Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator  
Mike Barrash, Senior Assistant Attorney General  
Bill DiRienzo ► Brian K. Lovett ► Leah J. Krafft  
IPS (for scanning) ► Docket 3999-07  
Keith Guille, DEQ Public Information Officer (PDF File Only)  
DEQ Director

Mr. Richard Waters  
Senior Counsel  
Anadarko Petroleum Corporation  
1999 Broadway, Suite 3700  
Denver, Colorado 80202

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

IN THE MATTER OF THE NOTICE OF )  
VIOLATION ISSUED TO: )

Howell Petroleum Corporation )  
1999 Broadway, Suite 3700 )  
Denver, Colorado 80202 )

DOCKET NUMBER 3999-07

**NOTICE OF VIOLATION**

**NOTICE IS HEREBY GIVEN THAT:**

1. Howell Petroleum Corporation (Howell), a wholly owned subsidiary of Anadarko Petroleum Corporation (Anadarko), is the owner/operator of oil and gas facility operations located in Township 40 North, Range 79 West (T40N, R79W), Natrona County, Wyoming; T39N, R79W, Natrona County, Wyoming; T40N, R78W, Natrona County, Wyoming;
2. On January 1, 2006, Howell had a spill of 70 barrels (2,940 gallons) of produced water due to the corrosion of an injection line which routed 3 barrels (126 gallons) of produced water to the LACT 11 WYPDES produced water discharge, which discharges to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
3. On February 10, 2006, Howell had a spill of 6,181 barrels (259,602 gallons) of produced water due to the corrosion of a ten inch (10") injection line which routed 100 barrels (4,200 gallons) of produced water to the LACT 11 WYPDES produced water discharge, which discharges to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
4. On February 22, 2006, Howell had a spill of 35 barrels (1,470 gallons) of produced water due to the failure of a ten inch (10") injection line which routed 8 barrels (336 gallons) of produced to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
5. On February 24, 2006, Howell had a spill of 312 barrels (13,104 gallons) of produced water due to the corrosion of a ten inch (10") injection line which routed 259 barrels (10,878 gallons) of produced water to the LACT 11 WYPDES produced water discharge, which discharges to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
6. On February 28, 2006, Howell had a spill of 45 barrels (1,890 gallons) of produced water and 2 barrels (84 gallons) of oil due to the corrosion of a flow line which routed 6 barrels (252 gallons) of produced water and 2 barrels (84 gallons) of oil to the LACT 11 WYPDES produced water discharge, which discharges to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
7. On March 24, 2006, Howell had a spill of 190 barrels (7,980 gallons) of produced water due to the corrosion of a two inch (2") injection line which routed 15 barrels (630 gallons) of produced water to the LACT 11 WYPDES produced water discharge, which discharges to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;

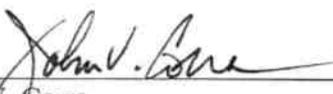
8. On March 30, 2006, Howell had a spill of 54 barrels (2,268 gallons) of produced water due to the corrosion of a six inch (6") injection line which discharged 15 barrels (630 gallons) of produced water to Castle Creek, Class 3B water, which is a tributary to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
9. On April 11, 2006, Howell had a spill of 10,000 barrels (420,000 gallons) of produced water due to the corrosion of a twelve inch (12") flow line which discharged 7,930 barrels (333,060 gallons) of produced water to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
10. On May 12, 2006, Howell had a spill of 600 barrels (25,200 gallons) of produced water due to the corrosion of a flow line which discharged 600 barrels (25,200 gallons) of produced water to Castle Creek, Class 3B water, which is a tributary to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
11. On May 19, 2006, Howell had a spill of 15 barrels (630 gallons) of produced water and 2 barrels (84 gallons) of oil due to the corrosion of a flow line which discharged 3 barrels (126 gallons) of produced water to Castle Creek, Class 3B water, which is a tributary to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
12. On May 21, 2006, Howell had a spill of 312 barrels (13,104 gallons) of produced water due to the corrosion of an eight inch (8") injection line which discharged 166 barrels (6,972 gallons) of produced water to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
13. On August 3, 2006, Howell had a spill of 200 barrels (8,400 gallons) of produced water and 36 barrels (1,512 gallons) of oil due to the corrosion of an eight inch (8") production line which routed 59 barrels (2,478 gallons) of produced water to the LACT 11 WYPDES produced water discharge, which discharges to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
14. On August 23, 2006, Howell had a spill of 102 barrels (4,284 gallons) of produced water due to the corrosion of a twelve inch (12") injection line which discharged 5 barrels (210 gallons) of produced water to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
15. On September 3, 2006, Howell had a spill of 44 barrels (1,848 gallons) of produced water due to the corrosion of a six inch (6") injection line which discharged 4 barrels (168 gallons) of produced water to Castle Creek, Class 3B water, which is a tributary to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
16. On October 8, 2006, Howell had a spill of 50 barrels (2,100 gallons) of produced water due to the failure of a two inch (2") injection line which routed 12 barrels (504 gallons) of produced water to the LACT 11 WYPDES produced water discharge, which discharges to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
17. On November 29, 2006, Howell had a spill of 6,770 barrels (284,340 gallons) of produced water due to the failure of a twelve inch (12") injection line which routed 30 barrels (1,260 gallons) of produced water to the LACT 4 WYPDES produced water discharge, which discharges to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
18. On December 4, 2006, Howell had a spill of 3,116 barrels (130,872 gallons) of produced water and 17 barrels (714 gallons) of oil due to the failure of a sixteen inch (16") production line which routed 3,116 barrels (130,872 gallons) of produced water and 17 barrels (714 gallons) of oil to the LACT 11 WYPDES produced water discharge, which discharges to Salt Creek, Class 2C water, which is a tributary to the Powder River, Class 2AB water. The spill occurred in Natrona County;
19. Anadarko is the owner/operator of coal bed methane (CBM) facility operations located in Section 7 of T47N, R77W, Johnson County, Wyoming;

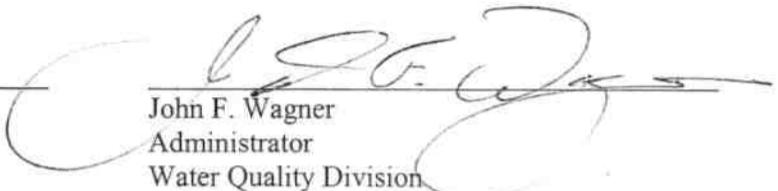
20. On December 2, 2006, Anadarko had a spill of 3,500 barrels (147,000 gallons) of CBM produced water due to a failed line which discharged 837 barrels (35,154 gallons) of produced water to the Powder River, Class 2AB water. The spill occurred in Johnson County;
21. The discharging of crude oil and associated produced water, and CBM produced water by Howell and/or Anadarko into a "water of the state" is considered "pollution" as defined in W.S. 35-11-103 (c)(i);
22. The discharges referenced above entered "waters of the state" as defined under W.S. 35-11-103 (c)(vi);
23. By discharging pollution into waters of the state, Howell and Anadarko are in violation of W.S. 35-11-103 (a)(i) and Chapter 2 of the Wyoming Water Quality Rules and Regulations (WWQRR) which state that no person, except when authorized by a permit issued by the Department of Environmental Quality (DEQ), shall cause, threaten, or allow the discharge of any pollution or wastes into the waters of the state;
24. The DEQ has no record of permits authorizing the discharge to waters of the state from the locations referenced in the cases described above;
25. The DEQ issued NOV Docket 3408-02 to Howell on September 13, 2002 for seven (7) similar produced water and/or crude oil spills from January 29, 1999 through September 13, 2001 in the Salt Creek Field;
26. The DEQ issued NOV Docket 3496-03 to Howell on November 6, 2003 for sixteen (16) similar produced water and/or crude oil spills from January 7, 2003 through June 6, 2003 in the Salt Creek Field;
27. The DEQ issued NOV Docket 3610-04 to Howell on November 22, 2004 for seventeen (17) similar produced water and/or crude oil spills from August 22, 2003 through October 11, 2004 in the Salt Creek Field;
28. The DEQ issued NOV Docket 3829-05 to Howell on December 2, 2005 for twenty-seven (27) similar produced water and/or crude oil spills from December 18, 2004 through September 21, 2005 in the Salt Creek Field;
29. This Notice is being sent to you pursuant to W.S. 35-11-701(c)(i), 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;
30. Pursuant to Wyoming Statute 35-11-901(a), any person who violates, or any director, officer, or agent of a corporate permittee who willingly and knowingly authorizes, orders, or carries out the violation of any provision of the Environmental Quality Act (Act), or any rule, regulation, standard, or permit adopted hereunder or who violates any determination or order of the council pursuant to this act or any rule, regulation, standard, permit, license, or variance is subject to a penalty not to exceed ten thousand dollars and no cents (\$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. The penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming. Nothing herein shall preclude the department from negotiating stipulated settlements involving the payment of a penalty, implementation of compliance schedules or other settlement conditions, in lieu of litigation.

**THIS SECTION INTENTIONALLY LEFT BLANK**

NOTHING IN THIS NOTICE OF VIOLATION (NOV) shall be interpreted to in any way limit or contravene any other remedy available under the Environmental Quality Act, nor shall this NOV be interpreted as being a condition precedent to any other enforcement action.

Signed this 31 day of JANUARY, 2007.

  
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John V. Corra  
Director  
Department of Environmental Quality

  
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John F. Wagner  
Administrator  
Water Quality Division

PLEASE DIRECT ALL INQUIRIES TO: Brian R. Bohlmann, P.E., NPDES Compliance Supervisor at the Wyoming Department of Environmental Quality, Water Quality Division, Herschler Building, 4<sup>th</sup> Floor West, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002. Telephone 307-777-8669.

JVC/JFW/BRB/bb/7-0088.NOV

cc: Julie Orr, 8ENF-W-NP, EPA Region 8  
Donna Inman, 8ENF-UFO, EPA Region 8  
Brian R. Bohlmann, P.E., WYPDES Compliance & Enforcement Coordinator  
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Bill DiRienzo ► Brian K. Lovett ► Leah J. Krafft  
IPS (for scanning) ► Docket 3999-07  
Keith Guille, DEQ Public Information Officer (PDF File Only)  
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Mr. Richard Waters  
Senior Counsel  
Anadarko Petroleum Corporation  
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