From: Gage, Terry
To: Trawick, Matthew
Subject: RE: Anadarko DBM Violation Summary
Date: Tuesday, February 13, 2018 5:41:51 PM

Good afternoon, Matt-
Thanks for the detailed e-mail. I believe your assumptions to be correct; however, I need to confer with my clients. To that end, I am in Austin this week for mediation and will need time to huddle up with internal folks upon my return. Any chance you and I can push mid to late next week?
Thanks-

Terry L. Gage | Staff Attorney

Anadarko Petroleum Corporation

From: Trawick, Matthew [mailto:Trawick.Matthew@epa.gov]
Sent: Tuesday, February 13, 2018 4:58 PM
To: Gage, Terry <Terry.Gage@anadarko.com>
Subject: Anadarko DBM Violation Summary

Terry,
Apologies for the delay. Thanks to you and your team for a productive discussion of the Ramsey Gas Plant incident. We've revised our proposed violations, and I'm including a violation and penalty summary. I'm assuming that the net worth of the company that owns the facility exceeds $160MM, and that the emergency contact information listed in the facility's RMP became incorrect at the time of the acquisition by DBM. If either of those assumptions are incorrect, please let me know. Let's schedule a time for you and I to talk about this sometime this week.

1. 112(r)(1), 42 U.S.C. § 7412(r)(1), General Duty Clause Violation: Failure to Design and Maintain a Safe Facility
    a. Failure to install upstream/downstream isolation valve
    b. Failure to monitor methanol injection system (or to know if methanol injection system was functional)
    c. Failure to maintain operation of the line heater
    d. PENALTY: $37,500
2. 40 CFR 68.69(a) – Failure to Develop and Implement a Procedure
    a. No procedure for dealing with hydrate formation. On our call, it sounded like there shouldn't be a one-size-fits-all procedure for dealing with hydrate formation because each situation might be unique. However, it doesn't appear that there was a procedure to elevate these types of specific questions to appropriate personnel, which in this case led to workers deciding to use a pressure washer.
    b. Created unsafe procedure by tasking employees to use heated pressure washer, leading to increased pressure, leading to release.
    c. PENALTY: $37,500

3. 40 CFR 68.85(b) – Failure to Properly Document Hot Work Permits
    a. Hot work permits were generalized and unspecific.
    b. PENALTY: $10,000

4. 40 CFR 68.195(b) – Failure to Update Emergency Contact Information
    a. Emergency contact numbers were incorrect at the time of the facility's last incident (December 2015). That was 12 months after the Ramsey Gas Plant acquisition from Nuevo midstream. Facility updated RMP to include correct emergency contact information in June 2016.
    b. PENALTY: $10,000

5. PENALTY CALCULATION
    a. Penalty Total = ((gravity + length of time) x size of violator) x inflation factor
    b. Gravity: $95,000
    c. Length of Time: January 2015 – June 2016 (17 Months = $17,000)
    d. Adjustment for Size of Violator: 2x
    e. Penalty Inflation Factor: 1.0487
    f. **Total: $234,900**

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