

Noble Energy agrees to settle Colorado air pollution case

April 22 2015, by Colleen Slevin

Large oil and gas driller Noble Energy has agreed to a settlement over alleged air-pollution violations north of Denver, a deal federal officials say could cost the company up to \$73.5 million.

The proposed deal, filed in federal court Wednesday, comes after regulators found the Houston-based company's oil storage tanks were emitting thousands of tons of volatile organic chemicals a year because of undersized vapor control systems, contributing to the region's ozone pollution problem.

Noble, the second biggest driller in Colorado, has agreed to evaluate, make upgrades and perform inspections of its 3,400 clusters—or batteries—of tanks in the Denver-Julesburg Basin, which stretches from Denver to the Wyoming border. The Justice Department estimated that work, which is already underway, would cost \$60 million. Noble said it doesn't have a figure but doesn't expect it to be material for its operations in the basin.

"We're implementing a serious action plan through which we will evaluate tank batteries throughout our DJ Basin operations, remove the tank batteries that should be removed, improve others and implement enhanced environmental strategies," Gary Willingham, Noble's executive vice president of operations, said in a statement.

According to court documents, Noble didn't admit any wrongdoing but has agreed to pay a \$5 million fine and \$8.5 million for environmental

projects both at its operations and elsewhere in the region under the settlement, first reported by The Denver Post. For example, Noble will retrofit engines to run on natural gas and transfer condensate from tanks to trucks in an enclosed system to prevent vapors from escaping. The company will also pay to help replace household wood-fired stoves and gas-fired lawn mowers.

In a statement, the Justice Department and the Environmental Protection Agency said Noble will use an infrared camera to inspect its emissions controls, which will also be inspected by a third-party. The agencies said the findings would be made public, which should help other energy companies reduce their emissions as well.

The proposed settlement will be published in the Federal Register, and the public will be able to submit comments on it for 30 days before it can become final.

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