

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

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**IN THE MATTER OF:**

CCI Paradox Midstream LLC  
Lisbon Gas Plant  
7 Rankine Road  
La Sal, UT 84530-0215

Respondent

FILED  
EPA REGION VIII  
HEARING CLERK

**ADMINISTRATIVE ORDER  
ON CONSENT**

**DOCKET NO.: CAA-08-2014-0007**

**ADMINISTRATIVE ORDER ON CONSENT**

**A. PRELIMINARY STATEMENT**

This Administrative Order On Consent (Order) is issued under the authority vested in the Administrator of the U.S. Environmental Protection Agency by section 113(a) of the Clean Air Act (CAA or Act), 42 U.S.C. § 7413(a)(3) and (4).

1. Complainant is the United States Environmental Protection Agency, Region 8 (the EPA or Complainant). On the EPA's behalf, the Acting Assistant Regional Administrator is delegated the authority to issue this Order under section 113(a) of the Act.
2. Respondent is CCI Paradox Midstream LLC, a limited liability company doing business in the state of Utah.
3. Respondent is a "person" as defined in section 302(e) of the Act, 42 U.S.C. § 7602(e).
4. Respondent signs this Order on consent.

**B. STATUTORY AND REGULATORY BACKGROUND**

5. On November 15, 1990, the President signed into law the CAA Amendments of 1990.

The Amendments added section 112(r) to the CAA, 42 U.S.C. § 7412(r), which requires the Administrator of the EPA to, among other things, promulgate regulations in order to prevent accidental releases of certain regulated substances.

6. The CAA § 112(r)(7), 42 U.S.C. § 7412(r)(7), provides that the owners and operators of stationary sources are required to develop and implement a risk management plan (RMP) that includes a hazard assessment, a prevention program and an emergency response program.
7. 40 C.F.R. part 68 sets forth the requirements of a risk management program that must be established and implemented at a stationary source that has more than a threshold quantity of a regulated substance in a process. Pursuant to the CAA § 112(r)(7), 42 U.S.C. § 7412(r)(7), and 40 C.F.R. §§ 68.10(a), 68.12, and 68.150, the RMP must be submitted to the EPA for all covered processes, by an owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process, shall comply with the requirements of 40 C.F.R. part 68 (including, but not limited to, submission of an RMP to the EPA). The RMP submission is due no later than June 21, 1999, or three years after the date on which a regulated substance is first listed under 40 C.F.R. § 68.130, or the date on which a regulated substance is first present in a process above the threshold quantity, whichever is latest.

### **C. FINDINGS**

8. Section 302(e) of the CAA, 42 U.S.C. § 7602(e), defines the term "person" to include in relevant part, an individual, corporation, or partnership.
9. Respondent is a person, and thus subject to regulation under the CAA § 112(r), 42 U.S.C. § 7412(r).
10. Respondent is the owner and/or operator of the Lisbon Gas Plant, a stationary source, located at 7 Rankine Road, La Sal, Utah (Facility).
11. The Facility uses, handles, and/or stores more than a threshold quantity of flammable mixtures, a regulated substance.

12. Pursuant to CAA § 112(r)(7), 42 U.S.C. § 7412(r)(7), the Respondent is required to prepare and implement a risk management program to detect and prevent or minimize accidental releases of such substances.
13. The EPA conducted an inspection of the Facility on May 9, 2013, to assess compliance with section 112(r)(7) of the CAA.
14. During the inspection, the EPA representative observed alleged violations of the CAA section 112(r)(7). The alleged violations are described in paragraphs 15-17.
15. 40 C.F.R. § 68.65(d)(1)(iv) provides that the owner or operator shall ensure information pertaining to the process shall include relief system design and design basis. The Facility information pertaining to relief system design and design basis was not complete. This is a violation of 40 C.F.R. § 68.65(d)(1)(iv).
16. 40 C.F.R. § 68.73(d)(2) provides that inspection and testing procedures shall follow recognized and generally accepted good engineering practices (RAGAGEP). Applicable RAGAGEP indicates that piping shall be categorized into specific classes to ensure higher risk classifications receive more frequent inspections, that piping inspections shall be conducted at specific intervals, and that remaining life and corrosion rates be established for applicable process piping and process tanks. Respondent's documentation for piping classification was not complete, all piping inspections were not completed per RAGAGEP frequencies, and the remaining life and corrosion rates were not complete for all process piping and vessels. This is a violation of 40 C.F.R. § 68.73(d)(2).
17. 40 C.F.R. § 68.71(b) & (c) provides that the owner or operator shall provide refresher training every three years, and keep documentation that each employee has received and

understood the training. The Respondent did not ensure and document that all employees received refresher training. This is a violation of 40 C.F.R. § 68.71(b) and (c).

#### **D. ORDER**

18. Respondent consents and agrees to conduct the compliance measures described in this section of this Order.

19. The Facility shall take at least the following steps to come into compliance with section 112(r)(7) of the Act, 42 U.S.C. § 7412(r)(7), and the regulations promulgated at 40 C.F.R. part 68. All the violations alleged in paragraphs 15-17 have been or will be addressed as stated below.

a) The relief system analysis and documentation of the relief system design and design basis shall be completed by December 31, 2014.

b) Facility process and instrumentation diagrams were updated in November 2013 to contain piping classification; inspections, outlined in CCI's January 14, 2014 letter to the EPA, based on the classification shall be complete by December 31, 2014.

20. Within 15 days of completion of all actions identified in paragraph 19, Respondent shall provide the EPA with a notification that the actions have been completed. All correspondence shall be mailed or emailed to the following address:

U.S. EPA, Region 8  
1595 Wynkoop Street  
Denver, CO 80202-1129  
Attn: David Cobb, ENF-AT  
(Email address: cobb.david@epa.gov)

#### **E. OTHER TERMS AND CONDITIONS**

21. Respondent admits the jurisdictional allegations contained in this Order.

22. Respondent neither admits nor denies the findings in Section C (Findings) of this Order.

## **F. GENERAL PROVISIONS**

23. Any violation of this Order may result in a civil judicial action for an injunction or civil penalties of up to \$37,500 per day per violation, or both, as provided in section 113(b)(2) of the Act, 42 U.S.C. § 7413(b)(2), as well as criminal sanctions as provided in section 113(c) of the Act, 42 U.S.C. § 7413(c). The EPA may use any information submitted under this Order in an administrative, civil judicial, or criminal action.
24. Nothing in this Order shall relieve Respondent of the duty to comply with all applicable provisions of the Act or other federal, state or local laws or statutes, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.
25. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.
26. The provisions of this Order shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns. From the Effective Date of this Order until the Termination Date as set out in paragraph 31 below, Respondent must give written notice and a copy of this Order to any successors in interest prior to any transfer of ownership or control of any portion of or interest in the Lisbon Gas Plant. Simultaneously with such notice, Respondent shall provide written notice of such transfer, assignment, or delegation to the EPA. In the event of any such transfer, assignment, or delegation, Respondent shall not be released from the obligations or

liabilities of this Order unless the EPA has provided written approval of the release of said obligations or liabilities.

27. To the extent this Order requires Respondent to submit any information to the EPA, Respondent may assert a business confidentiality claim covering part or all of that information, but only to the extent and only in the manner described in 40 C.F.R. Part 2, Subpart B. The EPA will disclose information submitted under a confidentiality claim only as provided in 40 C.F.R. Part 2, Subpart B. If Respondent does not assert a confidentiality claim, the EPA may make the submitted information available to the public without further notice to Respondent.
28. Each undersigned representative certifies that he or she is authorized to enter into the terms and conditions of this Order to execute and bind legally the Respondent and Complainant to this document.

#### **G. EFFECTIVE DATE AND OPPORTUNITY FOR A CONFERENCE**

29. Pursuant to section 113(a)(4) of the Act, an Order does not take effect until the person to whom it has been issued has had an opportunity to confer with the EPA concerning the alleged violations. By signing this Order, Respondent acknowledges and agrees that it has been provided an opportunity to confer with the EPA prior to issuance of this Order. Accordingly, this Order will take effect immediately upon signature by the latter of Respondent or the EPA.

#### **H. JUDICIAL REVIEW**

30. Respondent waives any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or

law set forth in this Order, including any right of judicial review under section 307(b)(1) of the Clean Air Act, 42 U.S.C. § 7607(b)(1).

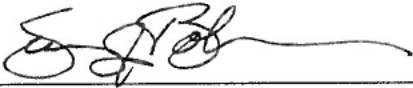
### I. TERMINATION

31. This Order shall terminate on the earlier of the following at which point Respondent shall operate in compliance with the Act:

- a. February 1, 2015;
- b. The effective date of any determination by the EPA that Respondent has achieved compliance with all terms of this Order; or,
- c. Immediately upon receipt by Respondent of notice from the EPA finding that an imminent and substantial endangerment to public health, welfare, or the environment has occurred.

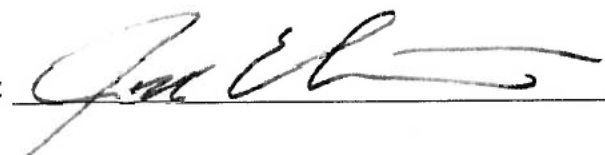
UNITED STATES ENVIRONMENTAL PROTECTION  
AGENCY, REGION 8,  
Office of Enforcement, Compliance and  
Environmental Justice

Complainant

Date: 8/28/14 By:   
Suzanne J. Bohan  
Acting Assistant Regional Administrator  
Office of Enforcement, Compliance and  
Environmental Justice

CCI Paradox Midstream LLC

Respondent

Date: 8/22/14 By:   
Title Senior Vice President

IN THE MATTER OF: CCI PARADOX MIDSTREAM LLC  
DOCKET NO.: CAA-08-2014-0007  
DOCKET NO.: CAA-08-2014-0008

**CERTIFICATE OF SERVICE**

The undersigned certifies that the original and a true and correct copy of the attached **ADMINISTRATIVE ORDER ON CONSENT** in the matter of **CCI PARADOX MIDSTREAM LLC, DOCKET NO.: CAA-08-2014-0007**, was filed with the Regional Hearing Clerk on September 3, 2014; **COMBINED COMPLAINT AND CONSENT AGREEMENT, DOCKET NO.: CAA-08-2014-0008** along with **THE FINAL ORDER** were filed on September 3, 2014.

Further, the undersigned certifies that true and correct copies of the aforementioned documents were hand delivered to Marc Weiner, Enforcement Attorney, U. S. EPA – Region 8, 1595 Wynkoop Street, Denver, CO 80202-1129.

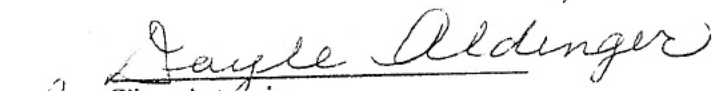
Further, the undersigned certifies that true and correct copies of the aforementioned documents were placed in the United States mail, domestic return receipt on September 3, 2014, to:

Castleton Commodities International LLC  
Attn. Leann Plagens  
811 Main Street, Suite 3500  
Houston, TX 77002  
Certified Mail # 7008 3230 0003 0726 0276

And emailed to:

Kim White  
U. S. Environmental Protection Agency  
Cincinnati Finance Center  
26 W. Martin Luther King Drive (MS-0002)  
Cincinnati, Ohio 45268

September 3, 2014

  
for Tina Artemis  
Paralegal/Regional Hearing Clerk