



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

MAY 12 2009

Ref: 8ENF-AT

CERTIFIED MAIL:
RETURN RECEIPT REQUESTED

Craig A. Brown
General Manager Environment, Health and Safety
Questar Exploration and Production Company
180 East 100 South
Salt Lake City, UT 84145-0601

Re: Questar Exploration and Production
Company
Wellsite Facility FR 14P 20-14-20
Compliance Order
Docket No. **CAA-08-2009-0019**

Dear Mr. Brown:

Enclosed is a Compliance Order which is issued to Questar Exploration and Production Company (QEP) pursuant to section 113(a)(3)(B) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(3)(B), as amended. The Compliance Order applies to QEP's wellsite facility, FR 14P 20-14-20, which is located on the Uintah and Ouray Reservation, Uintah County, Utah.

Environmental Protection Agency alleges in this Compliance Order that QEP failed to comply with the requirements of the National Emission Standards for Hazardous Air Pollutants, as set forth in section 112(c) and (d) of the CAA, 42 U.S.C. § 7412 (c) and (d), and the regulations promulgated thereunder.

The Compliance Order requires that QEP immediately comply with all the requirements of 40 C.F.R. part 63, subpart HH, National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities, at FR 14P 20-14-20. In issuing this Compliance Order, EPA does not waive its right to seek injunctive relief and/or civil penalties for any violations of this Compliance Order, the CAA or its implementing regulations.

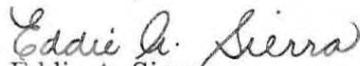
Questar Exploration and Production Company
Page Two

If Questar has any questions, legal or otherwise, or would like to request a conference to discuss this Compliance Order, please contact:

James H. Eppers (8ENF-L)
Enforcement Attorney
EPA Region 8
1595 Wynkoop St.
Denver, CO 80202-1129
(303) 312-6893.

EPA urges your prompt attention to this matter.

Sincerely,


Eddie A. Sierra

Acting Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice

Enclosure

cc: Curtis Cesspooch, Ute Indian Tribe Chairman, P.O. Box 190, Fort Duchesne, UT 84026
Ronald Groves, Ute Indian Tribe Councilman, P O Box 190 Ft. Duchesne, UT 84026
Irene Cuch, Ute Indian Tribe Vice-Chairwoman, P O Box 190 Ft. Duchesne, UT 84026
Steven Cesspooch, Ute Indian Tribe Councilman, P O Box 190 Ft. Duchesne, UT 84026
Phillip Chimburas, Ute Indian Tribe Councilman, P O Box 190 Ft. Duchesne, UT 84026
Frances Poowegup, Ute Indian Tribe Councilwoman, P O Box 190 Ft. Duchesne, UT
84026
Cheryl Heying, Director, Utah Division of Air Quality, 288 North 1460 West, P.O. Box
144810, Salt Lake City, Utah 84114-4810
Randy Brown, TAP, EPA Region 8
Carol Smith, TEP, EPA Region 8
Jim Eppers, LEP, EPA Region 8
Charles B. Stanley, President and CEO, Questar Exploration and Production Company

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

2009 MAY 12 AM 10:59

IN THE MATTER OF:

Questar Exploration and Production Company
180 East 100 South
PO Box 45601
Salt Lake City, UT 84145-0601

Respondent

COMPLIANCE ORDER

Docket No. **CAA 08-2009-0019**

STATUTORY AUTHORITY

This Compliance Order (Order) is issued to Questar Exploration and Production Company (QEP) pursuant to section 113(a)(3)(B) of the Clean Air Act (CAA), 42 U.S.C. §7413(a)(3)(B), as amended, for violations of the CAA's program for National Emission Standards for Hazardous Air Pollutants (HAPs) as set forth in section 112(c) and (d), of the CAA, 42 U.S.C. §7412(c) and (d) and the regulations promulgated thereunder. The authority to issue the Order has been properly delegated to the Assistant Regional Administrator, Office of Enforcement, Compliance, and Environmental Justice, Environmental Protection Agency (EPA) Region 8.

BACKGROUND

1. Questar Exploration and Production Company (QEP), a Texas corporation, is a wholly-owned subsidiary of Questar Market Resources (QMR), which is a wholly-owned

subsidiary of Questar Corporation. QEP is the owner and operator of FR 14P 20-14-20, a wellsite facility located south-southwest of Vernal, Utah that produces natural gas and associated condensate and water, dehydrates the natural gas, and stores the condensate and water. FR 14P 20-14-20 is located in Section 20, Township-14-S, Range-20-E in Uintah County, Utah and is within the exterior boundaries of the Uintah and Ouray Reservation. EPA has the authority to bring this action.

2. On June 4, 2008, QMR submitted a response to a Request for Information pursuant to section 114 of the CAA that EPA sent to QMR on May 5, 2008. The request related to a general area and QMR's response included information regarding several wellsite facilities, including FR 14P 20-14-20.
3. According to QMR's response, production at FR 14P 20-14-20 first occurred in August, 2007. According to Utah's Division of Oil, Gas & Mining's data, the start of production was July 20, 2007.
4. According to QMR's response, FR 14P 20-14-20 consists of, among other things, four separators, four 5.0 MMcfd (million cubic feet per day) triethylene glycol (TEG) dehydrator units, and three 300-barrel storage tanks.
5. QMR listed one Kimray glycol circulation pump on each dehydration unit – a make and model of 90/15 on Dehy #1, 50/15 on Dehy #2, 50/15 on Dehy #3, and a 50/15 on Dehy #4.
6. QMR stated there were no volatile organic compound (VOC) or HAP emission control devices associated with the dehydration unit reboiler still vent and glycol flash tank.

7. On June 20, 2008, QMR submitted a Supplementary Response to the same Request for Information, including the pressurized liquid sample and dehydrator inlet gas sample analyses for several of its wellsites, including FR 14P 20-14-20.

NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS

8. Pursuant to the authority under section 112 of the CAA, 42 U.S.C. §7412, the EPA Administrator promulgated regulations establishing the National Emission Standards for Hazardous Air Pollutants (NESHAPs) From Oil and Natural Gas Production Facilities. These “Maximum Achievable Control Technology” (MACT) regulations for Oil and Natural Gas Production Facilities are codified at 40 C.F.R. part 63, subpart HH and 40 C.F.R. part 63, subpart A (General Provisions). The effective date of these subparts was June 17, 1999.
9. Affected sources under 40 C.F.R. part 63, subpart HH are defined in 40 C.F.R. §63.760(b)(1) and include glycol dehydration units, storage vessels with flash emissions and ancillary equipment. Therefore, the four glycol dehydration units at FR 14P 20-14-20 are affected sources.
10. A “major source” is defined by 40 C.F.R. §63.2 as any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit, considering controls, in the aggregate, 10 tons per year (tpy) or more of any HAP or 25 tpy of more of any combination of HAPs.
11. Pursuant to 40 C.F.R. §63.760(f)(2) the owner or operator of an affected major source, the construction or reconstruction of which commenced on or after February 6, 1998,

shall achieve compliance with the provisions of 40 C.F.R. part 63, subpart HH immediately upon initial startup or June 17, 1999, whichever is later. Any area source, the construction or reconstruction of which commences on or after February 6, 1998, that becomes a major source shall comply with the provisions of 40 C.F.R. part 63, subpart HH immediately upon becoming a major source.

12. Construction of FR 14P 20-14-20 commenced after February 6, 1998 with first production on July 20, 2007.
13. With the four TEG dehydrator units, FR 14P 20-14-20 has a potential to emit of 65.7 tpy of HAPs, making it a major source with affected sources and subject to 40 C.F.R. part 63, subpart HH upon startup.

FINDINGS OF VIOLATION

14. QEP is a "person" within the meaning of section 302(e) of the CAA, 42 U.S.C. §7602(e).
15. Since startup (first production), QEP has been and currently is the owner and operator of FR 14P 20-14-20. The violations described in paragraphs 16-20 relate to FR 14P 20-14-20.
16. Pursuant to 40 C.F.R., subpart A, §63.5(b)(3), after the effective date of any relevant standard promulgated under 40 C.F.R. part 63, no person may, without obtaining written approval in advance from the Administrator, construct a new affected source that is major-emitting. 40 C.F.R. §63.5(d)(1)(i) requires that an owner or operator who is subject to 40 C.F.R. §63.5(b)(3) submit to the Administrator an application for approval of the construction as soon as practicable before actual construction begins. This application for

approval of construction may be used to fulfill the initial notification requirements of 40 C.F.R. §63.9(b)(4). In this case, construction began before the start of production on July 20, 2007. FR 14P 20-14 became subject to the subpart HH rule on July 20, 2007 when the TEG dehydrator units became operational. QEP failed to submit an application for approval of the construction and, therefore, violated 40 C.F.R. §63.775(a) which lists the aforementioned sections in subpart A that apply to sources subject to subpart HH.

17. Pursuant to 40 C.F.R. §63.775(b)(4) and (d), the owner or operator of an affected source subject to subpart HH is required to submit a Notification of Compliance Status Report within 180 days of startup, which was July 20, 2007. In this case, that was January 16, 2008. QEP failed to submit a Notification of Compliance Status Report and, therefore, violated 40 C.F.R. §63.775(b)(4) and (d).
18. Under 40 C.F.R. §63.775(b)(5) and (e)(1), the owner or operator of an affected source subject to subpart HH is required to submit an initial Periodic Report 240 days after the Notification of Compliance Status Report was due on January 16, 2008. In this case, that was September 12, 2008. QEP failed to submit an initial Periodic Report and, therefore, violated 40 C.F.R. §63.775(b)(5) and (e).
19. Pursuant to 40 C.F.R. §63.764(c)(1), the owner or operator of an affected source subject to subpart HH shall comply with the control requirements for glycol dehydration unit process vents specified in §63.765, monitoring requirements in §63.773, and recordkeeping and reporting requirements in §§63.774 and 63.775. Section 63.765(b) requires control device(s) to be designed and operated in accordance with §63.771(d)

which lists the options of control devices to control air emissions. QEP did not install control equipment and, therefore, violated 40 C.F.R. §63.771(d).

20. Pursuant to 40 C.F.R. §§63.762(d) and 63.775(b)(6), the owner or operator of an affected source subject to subpart HH is required to prepare a start up, shut down and malfunction plan and submit start up, shut down and malfunction reports. QEP has done neither and has, therefore, violated 40 C.F.R. §§63.762(d) and 63.775(b)(6).

COMPLIANCE ORDER

21. Pursuant to section 113(a)(3)(B) of the CAA, 42 U.S.C. §7413(a)(3)(B), EPA hereby issues the following order to QEP:

Effective immediately, QEP shall comply with all the requirements of 40 C.F.R. part 63, subpart HH at FR 14P 20-14-20.

ENFORCEMENT

22. Issuance of this Order does not preclude any other action by EPA to redress past or future violations of the CAA, including any of the following:
 - a. an administrative penalty complaint pursuant to section 113(d) of the CAA, 42 U.S.C. §7413(d), for penalties of not more than \$32,500 per day for each violation occurring after March 15, 2004 through January 12, 2009 (\$37,500 after January 12, 2009, per day for each violation) during the period the facility is not in compliance;

- b. a civil action pursuant to §113(b) of the CAA, 42 U.S.C. §7413(b), for injunctive relief or civil penalties of not more than \$32,500 per day for each violation occurring after March 15, 2004 through January 12, 2009 (\$37,500 after January 12, 2009, per day for each violation) during the period the facility is not in compliance; and
 - c. any criminal action pursuant to 42 U.S.C §7413 or Title 18, U.S.C.
23. Pursuant to section 120 of the CAA, 42 U.S.C. §7420, EPA is also authorized to assess noncompliance penalties aimed at recovering the economic benefit which any person received by not complying with the CAA.
24. Pursuant to section 113(a)(3) of the CAA, 42 U.S.C. §7413(a)(3), failure to comply with this Order may lead to a civil action to obtain compliance and/or an action for civil or criminal penalties.

OPPORTUNITY FOR CONFERENCE

25. In accordance with section 113(a)(4) of the CAA, 42 U.S.C. §7413(a)(4), EPA is offering QEP an opportunity for a conference to discuss the Order. The request for such a conference must be made no later than thirty (30) calendar days from the date QEP receives this Order. If QEP wishes to make arrangements for a conference, it should please contact Jim Eppers, Enforcement Attorney, U.S. EPA Region 8, 1595 Wynkoop Street, Denver, CO 80202-1129. Mr. Eppers' telephone number is (303) 312-6893. By offering the opportunity for a conference or participating in one, EPA does not waive or limit its right to any remedy available under the CAA.

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

Date: 5/12/09

By: Eddie A. Sierra

Eddie A. Sierra
Acting Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the original and one copy of the attached COMPLIANCE ORDER was hand-carried to the Regional Hearing Clerk, EPA Region 8, 1595 Wynkoop Street, Denver, Colorado, and that a true copy of the same was sent via certified mail, return receipt requested to:

Craig A. Brown
General Manager Environment, Health and Safety
Questar Exploration and Production Company
180 East 100 South
Salt Lake City, UT 84145-0601

Date: 5/12/09

By: *Jessica Reed*
Secretary