



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

1595 WYNKOOP STREET

DENVER, CO 80202-1129

Phone 800-227-8917

http://www.epa.gov/region08

2012 MAY 14 PM 2:28

FILED
EPA REGION VIII
HEARING CLERK

DOCKET NO.: CAA-08-2012-0005

IN THE MATTER OF:)	
)	
EL PASO MIDSTREAM GROUP, INC.)	FINAL ORDER
)	
Respondent)	
)	

Pursuant to 40 C.F.R. § 22.13(b) and 22.18, of EPA's Consolidated Rules of Practice, the Consent Agreement resolving this matter is hereby approved and incorporated by reference into this Final Order. The Respondent is hereby **ORDERED** to comply with all of the terms of the Consent Agreement, effective immediately upon receipt by Respondent of this Consent Agreement and Final Order.

The Parties are hereby **ORDERED** to comply with all of the terms of this Final Order.

SO ORDERED THIS 14th Day of may, 2012

Elyana R. Sutin
Regional Judicial Officer

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

2012 MAY 10 PM 3:36

FILED
EPA REGION VIII
HEARING CLERK

Docket No.: CAA-08-2012-0005

IN THE MATTER OF)
El Paso Midstream Group, Inc.,)
Respondent.)

**COMPLAINT AND
SETTLEMENT AGREEMENT**

Complainant, United States Environmental Protection Agency, Region 8 (the EPA or Complainant), and Respondent, El Paso Midstream Group, Inc. (Respondent) (hereafter sometimes referred to collectively as the Parties or individually as a Party), by their undersigned representatives, hereby consent and agree as follows:

A. PRELIMINARY MATTERS

1. This Complaint and Settlement Agreement (Agreement) is entered into by the Parties to settle alleged violations of the federal Clean Air Act (CAA), specifically of 40 C.F.R. Part 63, Subpart HH, at the Bluebell Gas Plant (the "Facility") owned and operated by Respondent in Duchesne County, Utah.
2. This proceeding is governed by the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, and the Revocation, Termination or Suspension of Permits (Consolidated Rules) set forth at 40 C.F.R. Part 22. The United States Department of Justice has concurred with EPA Region 8's request for authorization to commence an administrative enforcement action in this matter.
3. This Agreement is entered into by the Parties for the purpose of simultaneously commencing and concluding this matter, as authorized by 40 C.F.R. §22.13(b), and executed pursuant to 40 C.F.R. §22.18(b)(2) and (3) of the Consolidated Rules.

4. The EPA has jurisdiction over this matter pursuant to §113(d)(1)(B) of the CAA, 42 U.S.C. §7413(d)(1)(B), as amended on November 15, 1990.
5. Respondent admits the jurisdictional allegations in this Agreement, but does not admit the specific factual allegations or legal conclusions made by the Complainant herein.
6. Respondent waives its rights to a hearing before any tribunal and to contest any issue of law or fact set forth in this Agreement.
7. Complainant asserts that settlement of this matter is in the public interest, and Complainant and Respondent agree that entry of this Agreement and Final Order without further litigation and without adjudication of any issue of fact or law is the most appropriate means of resolving this matter.
8. This Agreement, upon incorporation into a Final Order, applies to and is binding upon EPA and upon Respondent, and Respondent's officers, directors, employees, agents, successors and assigns. Any change in ownership or corporate status of Respondent including, but not limited to, any transfer of assets or real or personal property shall not alter Respondent's responsibilities under this Agreement.
9. This Agreement contains all terms of the settlement agreed to by the Parties.
10. The Facility to which this Agreement relates is located approximately 5.5 miles west of 4000 North SR 121 at UTM coordinates 4,470,289 meters Northing and 577,604 meters Easting in Duchesne County, Utah.

B. ALLEGED VIOLATIONS

1. Respondent is a Delaware corporation and therefore a "person" as defined in section 7602(e) of the CAA, 42 U.S.C. §7602.
2. Respondent owns and operates the Facility described in paragraph A.10, above.

3. Complainant alleges, based on an inspection performed at the Facility in June 2007 and a subsequent investigation, that Respondent was, at that time, a major source of hazardous air pollutants (HAPs). Complainant further alleges that Respondent violated 40 C.F.R. Part 63, Subpart HH, by failing to control adequately the HAP emissions from its ethylene glycol dehydrator and by failing to implement a leak detection and repair (LDAR) program, as more specifically set forth in EPA's administrative enforcement action.
4. In 2009, Respondent brought the Facility into compliance with the LDAR requirements of 40 C.F.R. Part 63, Subpart HH. Specifically, Respondent completed its tagging of all affected equipment on April 2, 2009 and began the required monitoring, testing, recordkeeping, notification and reporting on April 29, 2009. Later in 2009, Respondent brought the Facility into compliance with the glycol dehydration requirements of 40 C.F.R. Part 63, Subpart HH by completing the installation of a BTEX condenser, reducing benzene emissions to less than one ton per year. By July 24, 2009, the BTEX condenser was operating and the required monitoring, testing, recordkeeping, notification and reporting began. On April 7, 2010, the Facility ceased gas plant operations and modified operations to become solely a natural gas compressor station.

C. REQUIREMENTS UNDER THIS AGREEMENT

In furtherance of the goals of the CAA, Respondent shall fund the operation and maintenance of two ambient air quality and meteorological monitoring stations ("Monitoring Stations") located in the Uinta Basin and shall fund the collection and reporting of data to the EPA from the two monitoring stations. The two Monitoring Stations shall be those same "as is" stations installed and operated pursuant to the Consent Decree in *United States v. Kerr-McGee Corporation* (D. Colo. Civil Action No.

07-cv-01034-WDMMJW) (“Kerr-McGee Consent Decree”). Respondent shall fund the monitoring at the two Monitoring Stations for a consecutive time period of twenty-four months from the date on which Respondent first commences activities in regard to the stations. The Parties expect that the cost of the activities described in this Paragraph, along with any necessary cost of repairs to or replacements of the Monitoring Stations, will not exceed \$235,000. If unexpected events appear likely to cause the cost of the monitoring to exceed the amount identified above by 10% or more, Respondent may consult with EPA about possible amendments to this Agreement.

Not later than 30 days after this Agreement is approved by the Regional Judicial Officer, Respondent shall enter into a contract for the operation and maintenance of the two Monitoring Stations. Respondent shall select a contractor that is acceptable to the EPA, which decision shall be made promptly by the EPA in writing upon notification by Respondent of the selected contractor. The ambient air quality monitors shall monitor ozone, NO_x and PM_{2.5} concentrations. The meteorological stations shall monitor wind speed, wind direction, temperature and solar radiation. Respondent shall work cooperatively with the EPA, in consultation as appropriate with the Ute Indian Tribe of the Uintah and Ouray Reservation and the Utah Department of Environmental Quality, regarding the continued operation of the Monitoring Stations. If unexpected events in regard to such consultation appear likely to cause the cost of the monitoring to exceed the amount identified above significantly, Respondent may consult with EPA about possible amendments to this Agreement.

All monitoring data to be collected shall meet the siting, methodology and operational requirements of 40 C.F.R. Part 58; the quality assurance and quality control requirements of 40 C.F.R. Part 58, Appendix A ("Appendix A") as it pertains to monitoring for Prevention of Significant Deterioration and the additional provisions specified in this section. The monitoring of PM-2.5 need not meet the requirements of Appendix A to collocate a federal reference method with the reporting instrument or to participate in the National Performance Evaluation Program. Data shall be uploaded quarterly to AQS and hourly to AIRNow.

Respondent shall fund a revision of the "Uinta Basin Air Monitoring Program Monitoring and Quality Assurance Plan" dated June 2009, which was developed for the Kerr-McGee Consent Decree. This document as revised shall constitute a quality assurance project plan ("QAPP") that meets the "EPA Requirements for Quality Assurance Project Plans, EPA QA/R-5," EPA/240/B-01/003, March 2001 ("QA/R-5"). Respondent's contractor shall submit the QAPP to the EPA for review and approval. EPA shall review the document against the requirements of Appendix A and QA/R-5 to ensure that its contents are adequate to permit the data being collected to be used for regulatory purposes. Upon review of the QAPP, its revision as necessary and the signing of the document by the contractor, EPA shall approve the document through its signature by the Region 8 Air Program Director. The requirement described in the existing monitoring plan to conduct quarterly performance audits of gas analyzers and meteorological instruments shall be retained in the revised QAPP.

In addition to these performance audits, El Paso shall fund external performance evaluations consistent with the National Performance Evaluation Program described in Appendix A, section 2.4. Performance evaluations shall be conducted on the analyzers of gaseous air pollutants operating at one of the two monitoring stations by introducing audit gas via the probe inlet outdoors. These performance evaluations shall meet the requirements for adequacy, independence, training and certification described in the attachments to the EPA's "National Performance Audit Program, PM_{2.5} and Pb Performance Evaluation Program Implementation Decision Memorandum"¹ for the calendar year during which this Agreement takes effect. One through-the-probe performance evaluation of gaseous pollutant channels shall be conducted annually.

The QAPP shall also contain a provision that Respondent (or Respondent's contractor) shall agree to a systems audit that may be conducted on the air monitoring program by the EPA or the EPA's representative. Additional guidance for ambient air monitoring is contained in the EPA's "Quality Assurance Handbook for Air Pollution Measurement Systems, Volume II, Part 1" and for meteorological monitoring in Volume IV, "Meteorological Measurements." Respondent shall certify that it has met all the requirements of this section. The Parties intend and contemplate that Respondent will utilize the two Monitoring Stations on a turnkey basis, including but not limited to utilizing (i) the site access and rights of surface use for the Monitoring Stations, and (ii) the air monitoring equipment purchased pursuant to the Kerr-McGee Consent Decree.

¹ http://www.epa.gov/ttn/amtic/files/ambient/pm25/qa/fy2012npap_pep_memo.pdf

Submission Address

Unless otherwise specified herein, all reports, submissions or other notifications required by this Agreement to be sent to the EPA shall be addressed to:

Air & Toxics Technical Enforcement Program Director
U.S. EPA Region 8 (Mail Code 8ENF-AT)
1595 Wynkoop St.
Denver, CO 80202-1129

D. CIVIL PENALTY

1. Pursuant to an analysis of the facts and circumstances of this case with the statutory factors described in section 113(d)(1)(B) of the CAA, 42 U.S.C. §7413(d)(1)(B), the EPA has determined that an appropriate civil penalty to settle this action is the amount of twenty thousand dollars (\$20,000).
2. Respondent consents to the issuance of a Final Order and consents for the purposes of settlement but without any admission of liability or wrongdoing to the payment of the civil penalty in the amount of twenty thousand dollars (\$20,000) in the manner described below in this paragraph:
 - a. **Payment is due within 30 calendar days from the date written on the Final Order**, to be issued by the Regional Judicial Officer, that adopts this Complaint and Settlement Agreement. If the due date falls on a weekend or legal federal holiday, then the due date becomes the next business day. The date the payment is made is considered to be the date processed by the Bank described below. Payments received by 11:00 AM EST are processed on the same day, those received after 11:00 AM are processed on the next business day.

- b. The payment shall be made by making a wire transfer as provided below or remitting a cashier's or certified check, including the name and docket number of this case, for the amount, **payable to "Treasurer, United States of America,"**
to:

CHECK PAYMENT:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
PO Box 979077
St. Louis, MO 63197-9000

OVERNIGHT MAIL:

US Bank
1005 Convention Plaza
Mail Station SL-MO-C2GL
St. Louis, MO 63101

Contact: Natalie Pearson
314-418-4087

WIRE TRANSFER:

Wire transfers should be directed to the Federal Reserve Bank of New York

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, NY 10045

Field Tag 4200 of the Fedwire message should read AD 68010727
Environmental Protection Agency"

ACH (also known as REX or remittance express)

Automated Clearinghouse (ACH) for receiving US currency
PNC Bank
808 17th Street, NW
Washington, DC 20074
Contact B Jesse White 301-887-6548
ABA = 051036706
Transaction Code 22 – checking
Environmental Protection Agency
Account 310006
CTX Format

ON LINE PAYMENT:

There is now an On Line Payment Option, available through the Dept. of Treasury.
This payment option can be accessed from the information below:

WWW.PAY.GOV

Enter sfo 1.1 in the search field. Open form and complete required fields.

A copy of the check, or wire transfer, shall be sent simultaneously to:

Alexis North (8ENF-AT)
U.S. EPA Region 8
Technical Enforcement Program
1595 Wynkoop St.
Denver, CO 80202-1129

and

Tina Artemis
Regional Hearing Clerk (8RC)
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202-1129

- c. Payment of the penalty in this manner does not relieve Respondent of its obligations to comply with the requirements of the CAA and regulations.

E. TERMS AND CONDITIONS


1. Failure by Respondent to comply with any of the terms of this Agreement shall constitute a breach of the Agreement and may result in referral of the matter to the Department of Justice for enforcement of this Agreement and for such other relief as may be appropriate.

2. Nothing in this Agreement shall be construed as a waiver by the EPA or any other federal entity of its authority to seek costs or any appropriate penalty associated with any collection action instituted as a result of Respondent's failure to perform pursuant to the terms of this Agreement. However, the EPA agrees that, before seeking such costs or penalty, it will first provide notice to Respondent of any failure to perform existing at the time of such notice and a reasonable opportunity to explain circumstances associated therewith and/or to demonstrate that performance was achieved or that no such performance is necessary.
3. Each undersigned representative of the Parties to this Agreement certifies that he or she is fully authorized by the Party represented to bind the Party to the terms and conditions of this Agreement and to execute and legally bind that Party to this Agreement.
4. The Parties agree to submit this Agreement to the Regional Judicial Officer, with a request that it be incorporated into a Final Order.
5. This Agreement, upon incorporation into a Final Order by the Regional Judicial Officer and full satisfaction by the Parties, shall be a complete, full and final settlement of the violations alleged in this Agreement.
6. The terms, conditions, and compliance requirements of this Agreement may not be modified or amended except upon the written agreement of the Parties, and approval of a Regional Judicial Officer.
7. Each Party shall bear its own costs and attorneys fees in connection with all issues associated with this Agreement.
8. Respondent remains obligated to comply with all requirements of Subpart HH and all other requirements of the CAA and its implementing regulations.

Signature Page
COMPLAINT AND SETTLEMENT AGREEMENT

**UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY REGION 8,
Complainant.**

Date: May 10, 2012


By: 
Andrew M. Gaydosh
Assistant Regional Administrator
Office of Enforcement, Compliance and
Environmental Justice

Date: May 4, 2012

By: David Rochlin
David Rochlin
Senior Enforcement Attorney
U.S. EPA, Region 8

**EL PASO MIDSTREAM GROUP, INC.,
Respondent.**

Date: May 1, 2012

By: 
Name: D. Matt Leland SJM
Title: President

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached Complaint and Settlement Agreement in the matter of El Paso Midstream Group, Inc., Docket No. CAA-08-2012-_____, was filed with the Regional Hearing Clerk on May 10, 2012.

Further, the undersigned certifies that a true and correct copy of the document was hand-delivered to Cynthia Reynolds, Director, EPA Air & Toxics Technical Enforcement Program, 1595 Wynkoop Street, Denver, CO 80202 and mailed by first-class U.S. mail to John Fognani, counsel for Respondent, at 1801 Broadway, Suite 800, Denver, CO 80202.

Date: May 10, 2012

David Rochlin

David Rochlin
Senior Enforcement Attorney
U.S. Environmental Protection Agency

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached **COMPLAINT, SETTLEMENT AGREEMENT** in the matter of **EL PASO MIDSTREAM GROUP, INC.;** **DOCKET NO.: CAA-08-2012-0005**, was filed with the Regional Hearing Clerk on May 10, 2012; The **FINAL ORDER** was filed on May 14, 2012.


Further, the undersigned certifies that a true and correct copy of the document was delivered to David Rochlin, Senior Enforcement Attorney, U. S. EPA – Region 8, 1595 Wynkoop Street, Denver, CO 80202-1129. True and correct copies of the aforementioned documents were placed in the United States mail on May 14, 2012, to:

John Fognani, Esq.
1801 Broadway, Suite 80
Denver, CO 80202

And emailed to:

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

May 14, 2012


Tina Artemis
Paralegal/Regional Hearing Clerk