



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

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FILED
EPA REGION VIII
HEARING CLERK

DOCKET NO.: CAA-08-2019-0003

IN THE MATTER OF:

TARGA BADLANDS LLC

RESPONDENT

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FINAL ORDER

Pursuant to 40 C.F.R. § 22.13(b) and §§ 22.18(b)(2) and (3) 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 filing this Consent Agreement and Final Order.

SO ORDERED THIS 26th DAY OF February, 2019.

Katherin E. Hall
Katherin E. Hall
Regional Judicial Officer

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ENVIRONMENTAL PROTECTION AGENCY
REGION 8

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In the Matter of:)
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TARGA BADLANDS LLC)
)
Junction Compressor Station)
)
Respondent.)

CONSENT AGREEMENT
Docket No: CAA-08-2019-0003

CONSENT AGREEMENT

I. PRELIMINARY STATEMENT

1. This is an administrative penalty assessment proceeding brought under section 113(d) of the Clean Air Act (“CAA” or the “Act”), 42 U.S.C. § 7413(d), and sections 22.13 and 22.18 of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (“Consolidated Rules”), as codified at 40 C.F.R. part 22.

2. Complainant is the United States Environmental Protection Agency, Region 8. On the EPA’s behalf, Suzanne J. Bohan, Assistant Regional Administrator for the Office of Enforcement, Compliance and Environmental Justice, is delegated the authority to settle civil administrative penalty proceedings under section 113(d) of the Act.

3. Respondent is Targa Badlands LLC, organized under the laws of Delaware, and doing business in the State of North Dakota.

4. Collectively, Complainant and Respondent are referred to as the “Parties.”

5. The Respondent is a “person” as defined in section 302(e) of the Act, 42 U.S.C. § 7602(e).

6. Complainant and Respondent, having agreed that settlement of this action is in the public interest, consent to the entry of this consent agreement (“Agreement”) without adjudication of any issues of law or fact herein, and Respondent agrees to comply with the terms of this Agreement.

II. JURISDICTION

7. This Agreement is entered into under section 113(d) of the Act, as amended, 42 U.S.C. § 7413(d), and the Consolidated Rules, 40 C.F.R. part 22. The alleged violations in this Agreement are settled pursuant to section 113(a)(3)(A) of the CAA, 42 U.S.C. § 7413(a)(3)(A).

8. The Regional Judicial Officer is authorized to ratify this Agreement, which memorializes a settlement between Complainant and Respondent in a final order. 40 C.F.R. §§ 22.4(b) and 22.18(b).

9. This Agreement and approval in a final order simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).

IV. GOVERNING LAW

10. The CAA establishes a regulatory scheme “to protect and enhance the quality of the Nation’s air resources so as to promote the public health and welfare and the productive capacity of its population.” 42 U.S.C. § 7401(b)(1).

11. Section 112 of the CAA authorizes the Administrator of the EPA to promulgate regulations establishing emission standards for certain sources of air pollutants. 42 U.S.C. § 7412(d)(1).

12. In 2013, under the CAA, the EPA finalized 40 C.F.R. part 63 subpart ZZZZ for hazardous air pollutants (“HAPs”) emissions from stationary Reciprocating Internal Combustion Engines (“RICE”), located at major and area sources of HAPs, for the protection of public health and the environment.

13. Subpart ZZZZ includes emission and operation limitations; testing and initial compliance requirements; subsequent performance tests; monitoring, installation, collection, operation, and maintenance requirements; continuous compliance requirements; notifications; and reports.

V. STIPULATED FACTS

14. Targa owns and operates the Junction Compressor Station on the Fort Berthold Indian Reservation (“FBIR”), in McKenzie County, North Dakota, which compresses and dehydrates natural gas prior to being discharged to a gathering pipeline.

15. Targa’s Junction Compressor Station has five engines subject to the requirements at 40 C.F.R. part 63 subpart ZZZZ.

16. EPA inspected the Junction Compressor Station, as well as two other compressor stations owned and operated by Targa on the FBIR, on June 14, 2016.

17. EPA issued a CAA section 114 information request focused on engine units and dehydration units at the three compressor stations on January 18, 2017. On May 24, 2017, EPA received Targa’s response to the section 114 information request.

18. Following Targa’s response to the section 114 information request, a follow-up meeting between EPA and Targa was held on October 10, 2017 to discuss the underlying documentation related to Targa’s potential-to-emit (“PTE”) calculations.

19. EPA’s analysis of documentation identified Junction compressor station as a major source of HAPs with respect to 40 C.F.R. part 62 subpart ZZZZ. The facility-wide PTE for formaldehyde is 10.25 tons per year, exceeding the major source threshold of 10 tons per year PTE for any one HAP.

20. As a result of this investigation, EPA and Respondent entered into settlement discussions in May 2018 and agreed upon a final settlement on or around December 28, 2018.

VI. ALLEGED VIOLATIONS OF LAW

21. Based on the above Findings of Fact, the EPA finds and alleges that Targa has violated or is violating one or more of the following requirements of the National Emission Standards for

Hazardous Air Pollutants (“NESHAP”) for stationary RICE, 40 C.F.R. Part 63 subpart ZZZZ, at the Junction Compressor Station:

a. “If you own or operate...a new or reconstructed 4SLB stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions...you must comply with the emission limitations in Table 2a to this subpart and the operating limitations in Table 2b to this subpart which apply to you.” 40 C.F.R. § 63.6600(b).

i. Emission limitations from Table 2a (section 2) include “[r]educe CO emissions by 93 percent or more; or [l]imit concentration of formaldehyde in the stationary RICE exhaust to 14 ppmvd or less at 15 percent O₂.” 40 C.F.R. Part 63, Subpart ZZZZ, Table 2a.

ii. Operation limitations from Table 2b (section 1) include “maintain your catalyst so that the pressure drop across the catalyst does not change by more than 2 inches of water at 100 percent load plus or minus 10 percent from the pressure drop across the catalyst that was measured during the initial performance test; and maintain the temperature of your stationary RICE exhaust so that the catalyst inlet temperature is greater than or equal to 450 °F and less than or equal to 1350 °F.” 40 C.F.R. Part 63, Subpart ZZZZ, Table 2b.

b. “If you own or operate a stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions...(a) [y]ou must conduct the initial performance test or other initial compliance demonstrations in Table 4 to this subpart that apply to you within 180 days after the compliance date that is specified for your stationary RICE in § 63.6595 and according to the provisions in § 63.7(a)(2).” 40 C.F.R. § 63.6610.

i. “For each...4SLB...complying with the requirement to reduce CO emissions...” follow requirements outlined in section I of Table 4. 40 C.F.R. Part 63, Subpart ZZZZ, Table 4.

ii. “For each...Stationary RICE...complying with the requirement to limit the concentration of formaldehyde...” follow requirements outlined in section 3 of Table 4. 40 C.F.R. Part 63, Subpart ZZZZ, Table 4.

c. “If you must comply with the emissions limitations and operating limitations, you must conduct subsequent performance tests as specified in Table 3 of this subpart.” 40 C.F.R. § 63.6615.

i. “For each...new or reconstructed 4SLB stationary RICE ≥ 250 HP located at major sources...complying with the requirement to reduce CO emissions and not using CEMS...you must conduct subsequent performance tests semiannually.” 40 C.F.R. Part 63, Subpart ZZZZ, Table 3, section 1.

ii. “For each...Stationary RICE > 500 HP located at major sources...complying with the requirement to [l]imit the concentration of formaldehyde in the stationary RICE exhaust...you must conduct subsequent performance tests semiannually.” 40 C.F.R. Part 63, Subpart ZZZZ, Table 3, section 3.

d. “If you are required to install a continuous parameter monitoring system (CPMS) as specified in Table 5 of this subpart, you must install, operate, and maintain each CPMS according to the requirements in paragraphs (b)(1) through (6) of this section.” 40 C.F.R. § 63.6625(b).

i. Additional requirements apply if complying with requirements to reduce CO emissions and using oxidation catalyst, and using a CPMS; if complying with requirements to limit the concentration of formaldehyde in the stationary RICE exhaust and using oxidation catalyst or NSCR; or if complying with requirements to limit the concentration of formaldehyde in the stationary RICE exhaust and not using oxidation catalyst or NSCR, outlined in sections 1, 9, and 10 of Table 5 respectively. 40 C.F.R. Part 63, Subpart ZZZZ, Table 5.

e. “You must demonstrate continuous compliance with each emission limitation, operating limitation, and other requirements in Tables 1a and 1b, Tables 2a and 2b, Table 2c, and Table

2d to this subpart that apply to you according to methods specified in Table 6 to [subpart ZZZZ].” 40 C.F.R. § 63.6640(a).

f. “If you start up your new or reconstructed stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions on or after August 16, 2004, you must submit an Initial Notification not later than 120 days after you become subject to [subpart ZZZZ]”. 40 C.F.R. § 63.6645(c) and (f).

g. “If you are required to conduct a performance test, you must submit a Notice of Intent to conduct a performance test at least 60 days before the performance test is scheduled to begin as required in § 63.10(d)(2).” 40 C.F.R. § 63.6645(g).

h. “You must submit each report in Table 7 of [subpart ZZZZ] that applies to you,” including section 1 of Table 7 outlining requirements for “new or reconstructed non-emergency stationary RICE >500 HP located as a major source of HAP. 40 C.F.R. § 63.6650(a); 40 C.F.R. Part 63, Subpart ZZZZ, Table 7.

VII. TERMS OF CONSENT AGREEMENT

22. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:
- a. admits that the EPA has jurisdiction over the subject matter alleged in this Agreement;
 - b. admits to the stipulated facts stated above;
 - c. neither admits nor denies the alleged violations of law stated above;
 - d. consents to the assessment of a civil penalty as stated below;
 - e. consents to the authority to issue and the issuance of this specified compliance or corrective action order;
 - f. consents to the conditions specified in this Agreement;
 - g. consents to any stated Permit Action;

h. waives any right to contest the alleged violations, the terms of this Agreement, and the compliance and corrective action required by this Agreement; and

i. waives its rights to appeal any Final Order which approves this Agreement.

23. For the purpose of this proceeding, Respondent:

a. agrees that this Agreement states a claim upon which relief may be granted against Respondent;

b. acknowledges that this Agreement constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;

c. waives any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that the Respondent may have with respect to any issue of fact or law set forth in this Agreement, including any right of judicial review under section 307(b)(1) of the CAA, 42 U.S.C. § 7607(b)(1);

d. consents to personal jurisdiction in any action to enforce this Agreement, in the United States District Court for the District of North Dakota; and

e. waives any rights it may possess at law or in equity to challenge the authority of the EPA to bring a civil action in a United States District Court to compel compliance with the Agreement, and to seek an additional penalty for such noncompliance, and agree that federal law shall govern in any such civil action.

24. Section 113(d)(1)(B) of the Act, 42 U.S.C. § 7413(d)(1)(B), and at the time of the violations, 40 C.F.R. § 19.4, authorized the assessment of a civil penalty of up to \$46,192 per day of violation for each violation of the implementing regulations associated with the CAA. To determine the amount of the civil penalty to be assessed pursuant to section 113(e)(1) of the Act, 42 U.S.C. § 7413(e)(1), the EPA took into account, in addition to such other factors as justice may require, the size of the business, the economic impact of the penalty on the business, the violator's full compliance

history and good faith efforts to comply, the duration of the violations as established by any credible evidence, payment by the violator of penalties previously assessed for the same violations, the economic benefit of noncompliance, and the seriousness of the violations.

25. The EPA has compromised the civil penalty pursuant to section 113(d)(2)(B) of the Act, 42 U.S.C. § 7413(d)(2)(B).

26. Penalty Payment. Respondent agrees to:

a. pay the civil penalty of two hundred twenty thousand dollars (\$220,000) within 30 calendar days of the Effective Date of this Agreement (as set forth in Paragraph 55, below);

b. pay the civil penalty using any method provided on the following website:

<https://www.epa.gov/financial/makepayment>;

c. identify any payment with the docket number that appears on the Final Order;

d. within 24 hours of payment of the EPA Penalty, send proof of payment to Michael Stovern at stovern.michael@epa.gov (proof of payment means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to the EPA requirements).

27. If Respondent fails to timely pay any portion of the penalty assessed under this Agreement, the EPA may

a. request the Attorney General to bring a civil action in an appropriate district court to recover: the amount assessed; interest at rates established pursuant to 26 U.S.C. § 6621(a)(2); the United States' enforcement expenses; and a 10 percent quarterly nonpayment penalty, 42 U.S.C. § 7413(d)(5);

b. refer the debt to a credit reporting agency or a collection agency, 42 U.S.C. § 7413(d)(5), 40 C.F.R. §§ 13.13, 13.14, and 13.33;

c. collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 40 C.F.R. part 13, subparts C and H; and

d. suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with the EPA or engaging in programs the EPA sponsors or funds, 40 C.F.R. § 13.17.

28. Conditions. As conditions of settlement, Respondent agrees to the following:

a. Engine Units 1, 2, and 18 of the Junction Compressor Station. Within 120 days of the Effective Date of this Agreement, Respondent shall comply with:

i. Emission limitations pursuant to 40 C.F.R. part 63, subpart ZZZZ, table 2a.2.

ii. Operating limitations pursuant to 40 C.F.R. part 63, subpart ZZZZ, table 2b.1.

iii. Initial performance test requirements pursuant to 40 C.F.R. § 63.6610, table 4.

iv. Subsequent performance tests pursuant to 40 C.F.R. § 63.6615, table 3.

v. Demonstration of initial compliance with the emission limitations, operating limitations and other requirements pursuant to 40 C.F.R. § 63.6630, table 5.

vi. Monitoring, installation, collection, operation and maintenance requirements pursuant to 40 C.F.R. § 63.6625.

vii. Demonstrate continuous compliance with the emission limitations, operating limitations, and other requirements pursuant to 40 C.F.R. § 63.6640.

viii. Notifications, reports and records requirements pursuant to 40 C.F.R. § 63.6645, 63.6650 and 63.6655.

b. Engine Unit 19 of the Junction Compressor Station. Within 60 days of the Effective Date of this Agreement and extending for a period of 24 months following the Effective Date of this Agreement, Respondent shall be subject to the following requirements:

- i. Maintain installation of oxidation catalyst.
- ii. Emission limitations pursuant to 40 C.F.R. part 63, subpart ZZZZ, table 2a.2.
- iii. Operating limitations pursuant to 40 C.F.R. part 63, subpart ZZZZ, table 2b.1.
- iv. Conduct an initial performance test pursuant to 40 C.F.R. § 63.6610, table 4.
- v. Conduct subsequent performance tests pursuant to 40 C.F.R. § 63.6615, table 3.
- vi. Monitoring, installation, collection, operation and maintenance requirements pursuant to 40 C.F.R. § 63.6625.
- vii. Demonstration of initial compliance with the emission limitations, operating limitations and other requirements pursuant to 40 C.F.R. § 63.6630, table 5.

c. Permit Changes. Within 90 days of the Effective Date of this Agreement, Respondent shall file new, complete part 71 Title V Operating Permit applications necessary for Respondent's Blue Buttes, Junction and Clarks Creek compressor stations located in the FBIR. Respondent shall revise the facility's Title V Permit to reflect the current operational status of the compressor stations on the FBIR. Within 30 days of filing any applications required under this subparagraph, Respondent shall provide written notice along with a copy of the application to EPA at the address in subparagraph 28.e.v.

d. Recordkeeping. Respondent shall keep all records required by this Agreement to document compliance with the requirements of this Agreement for at least one year after termination of this Agreement. Upon request by EPA, Respondent shall make all such documents available to EPA and shall provide, in electronic format if so requested, all data generated during the life of this Agreement.

e. Status Reports. Respondent shall submit reports by January 31 of every year, continuing until termination of this Agreement, regarding the required information in the previous twelve-month period. The compliance status reports shall include the following information:

i. An identification and description of any non-compliance with the requirements of this Agreement.

ii. An identification of any problems encountered in complying with the requirements of Agreement.

iii. A compliance report for engine unit 19 which must contain:

(1) The results of any compliance demonstrations conducted during the reporting period;

(2) If there are no deviations from any emission limitations or operating limitations that apply to you, a statement that there were no deviations from the emission limitations or operating limitations during the reporting period. If there were no periods during which the CMS, including CEMS and CPMS, was out-of-control, as specified in §63.8(c)(7), a statement that there were not occurrences during which the CMS was out-of-control during the reporting period; and

(3) If there was a deviation from any emission limitation or operating limitation during the reporting period, the information in §63.6650(d). If there were periods during which the CMS, including CEMS and CPMS, was out-of-control, as specified in §63.8(c)(7), the information in §63.6650(e).

iv. Respondent shall ensure that the Responsible Official signs each report submitted under this Agreement and makes the following certification:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete.

v. Respondent shall submit all Reports under this Agreement to EPA, as follows:

Michael Stovern
Technical Enforcement Program
U.S. EPA Region 8 (8ENF-AT)
1595 Wynkoop Street
Denver, CO 80202
stovern.michael@epa.gov

f. Stipulated Penalties. With regard to the requirements set forth in subparagraph 28.a, starting 120 days after the Effective Date of this Agreement, and ending on the date this Agreement is terminated pursuant to Paragraph 54, Respondent will be liable for stipulated penalties to the United States for violations of this Agreement as specified below. With regard to requirements set forth in subparagraph 28.b, starting 60 days after the Effective Date of this Agreement, and ending 24 months after the Effective Date of this Agreement, Respondent will be liable for stipulated penalties to the United States for violations of this Agreement as specified below. A violation includes failing to perform any obligation required by the terms of this Agreement, according to all applicable requirements of this Agreement and within the specified time schedules established by or approved under this Agreement.

i. If EPA determines that a stipulated penalty should be paid pursuant to this Agreement, it shall make a written demand for stipulated penalty. Respondent shall pay any stipulated penalty within 60 days of receiving EPA's written demand, unless the demand is disputed.

ii. The EPA may in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due under this Agreement.

iii. Stipulated penalties continue to accrue during any dispute resolution, but need not be paid until 30 days after the dispute is resolved.

iv. Respondent shall pay stipulated penalties owing to EPA in the manner set forth and with the confirmation notices required by Paragraph 26, except that the transmittal letter must state that the payment is for stipulated penalties and must state for which alleged violation(s) the penalties are being paid.

v. The following stipulated penalties may apply:

| Violation | Stipulated Penalty | |
|---|---|-----------------------------|
| (1) Failure to maintain an oxidation catalyst as required by paragraph 28.b.i | <i>Period of Noncompliance</i> | <i>Penalty per day late</i> |
| | 1–15 days | \$250 |
| | 16–30 days | \$375 |
| | Over 30 days | \$700 |
| (2) Failure to comply with emission limitations in violation of the requirements of subparagraph 28.a.ii | \$250 per day for each day that that the emission limit is not met | |
| (3) Failure to comply with operating limitations in violation of the requirements of subparagraph 28.a.iii | \$250 per day for each day that that the operating limits are not met | |
| (4) Failure to conduct an initial performance test in violation of the requirements of subparagraph 28.a.iv | \$250 per day for each day that that the performance test is late | |
| (5) Failure to conduct an subsequent performance test in violation of the requirements of subparagraph 28.a.i | \$250 per day for each day that that the performance test is late | |
| (6) Failure to install required monitoring equipment in violation of the requirements of subparagraph 28.a.i | \$250 per day for each day that that the requirements are not met | |

29. The requirements of subparagraph 28.b shall be performed for the purpose of mitigating environmental harm caused by the violations alleged in Section VI.

30. Force majeure, for purposes of this Agreement, is defined as any event arising from causes beyond the control of Respondent, of any entity controlled by Respondent or of Respondent's contractors that delays or prevents the performance of any obligation under this Agreement despite Respondent's best efforts to fulfill the obligation. The requirement that Respondent's exercise "best efforts to fulfill the obligation" includes using best efforts to anticipate any potential force majeure event and best efforts to address the effects of any such event (a) as it is occurring and (b) after it has occurred to prevent or minimize any resulting delay to the greatest extent possible. Force Majeure does not include Respondent's financial inability to perform any obligation under this Agreement.

31. If any event occurs or fails to occur which causes or may cause a delay or impediment to performance in complying with any provision of this Agreement, Respondent will notify EPA in writing as soon as practicable, but in any event within 20 business days of the date when Respondent first knew of the event or should have known of the event by the exercise of due diligence. In this notice, Respondent will specifically reference this Paragraph and describe the anticipated length of time the delay may persist, the cause or causes of the delay, and the measures taken or to be taken at the Junction Compressor Station to prevent or minimize the delay and the schedule by which those measures will be implemented. Respondent will take all reasonable steps to avoid or minimize such delays. The notice required by this Paragraph will be effective upon the mailing of the same by overnight mail or by certified mail, return receipt requested, to the EPA Regional Office. Respondent shall include with any notice all available documentation supporting the claim that the delay was attributable to a force majeure. Failure to comply with the above requirements shall preclude Respondent from asserting any claim of force majeure for that event for the period of time of such failure to comply, and for any additional delay caused by such failure. Respondent shall be deemed to know of any circumstance of which Respondent, any entity controlled by Respondent, or Respondent's contractors knew or should have known.

32. If EPA agrees that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Agreement that are affected by the force majeure event will be extended by EPA, for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. EPA will notify Respondent in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

33. If EPA does not agree that the delay or anticipated delay has been or will be caused by a force majeure event, EPA will notify Respondent in writing of its decision.

34. If Respondent elects to invoke the dispute resolution procedures set forth in Section VIII, it shall do so no later than 20 days after receipt of EPA's notice. In any such proceeding, Respondent shall have the burden of demonstrating by a preponderance of the evidence that the delay or anticipated delay has been or will be caused by a force majeure event, that the duration of the delay or the extension sought was or will be warranted under the circumstances, that best efforts were exercised to avoid and mitigate the effects of the delay, and that Respondent complied with the requirements of Paragraph 28 above. If Respondent carries this burden, the delay at issue shall be deemed not to be a violation by Respondent of the affected obligation of this Agreement identified to EPA, and the relevant deadline shall be extended for such time as is necessary to complete the obligations affected by the force majeure event.

35. In the event that during the term of this Agreement there is a change in the statute or regulations that provide the underlying basis for this Agreement, or a synthetic minor permit is issued causing the Junction Compressor Station to become an area source, such that Respondent would not otherwise be required to perform some or all of the obligations herein, or would have the option to undertake or demonstrate compliance in an alternative manner, Respondent may request in writing a

modification to this Agreement reflecting the current state of the law, including current regulatory obligations; provided, however, no modification shall be made to the requirements of subparagraph 28.b for a period of 24 months following the Effective Date of this Agreement. EPA's approval of such request for modification shall not be unreasonably withheld.

36. This Agreement applies to and is binding upon the Complainant and the Respondent. Successors and assigns of Respondent are also bound if they are owned, in whole or in part, directly or indirectly, or otherwise controlled by Respondent. Nothing in the previous sentence adversely affects any right of the EPA under applicable law to assert successor or assignee liability against Respondent's successor or assignee.

VIII. DISPUTE RESOLUTION

37. Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures of this Section shall be the exclusive mechanism to resolve disputes arising under or with respect to this Agreement. Respondent's failure to seek resolution of a dispute under this Section shall preclude Respondent from raising any such issue as a defense to an action by EPA to enforce any obligation of Respondent arising under this Agreement.

38. Informal Dispute Resolution. Any dispute subject to Dispute Resolution under this Agreement shall first be the subject of informal negotiations. The dispute shall be considered to have arisen when Respondent sends EPA a written Notice of Dispute. Such Notice of Dispute shall state clearly the matter in dispute. The period of informal negotiations shall not exceed 45 days from the date the dispute arises, unless that period is modified by written agreement. If the Parties cannot resolve a dispute by informal negotiations, then the position advanced by EPA shall be considered binding unless, within 30 days after the conclusion of the informal negotiation period, Respondent invokes formal dispute resolution procedures as set forth below.

39. Formal Dispute Resolution. Respondent shall invoke formal dispute resolution procedures, within the time period provided in the preceding Paragraph, by serving on EPA a written Statement of Position regarding the matter in dispute. The Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting Respondent's position and any supporting documentation relied upon by Respondent.

40. EPA shall serve its Statement of Position within 45 Days of receipt of Respondent's Statement of Position. EPA's Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting that position and any supporting documentation relied upon by EPA. EPA's Statement of Position shall be binding on Respondent, unless Respondent requests alternative dispute resolution in accordance with the following Paragraph.

41. Respondent may request that EPA coordinate to designate a neutral party for dispute resolution consistent with 40 C.F.R. § 22.18(d). If the Parties cannot agree on a neutral party, the Respondent may move for the appointment of a neutral party to proceed with dispute resolution consistent with 40 C.F.R. § 22.18(d).

42. The invocation of dispute resolution procedures under this Section shall not, by itself, extend, postpone, or affect in any way any obligation of Respondent under this Agreement, unless and until final resolution of the dispute so provides. Stipulated penalties with respect to the disputed matter shall continue to accrue from the first day of noncompliance, but payment shall be stayed pending resolution of the dispute as provided in subparagraph 28.f (Stipulated Penalties). If Respondent does not prevail on the disputed issue, stipulated penalties shall be assessed and paid as provided in subparagraph 28.f.

IX. MISCELLANEOUS

43. By signing this Agreement, the undersigned representative of Complainant and the undersigned representative of Respondent each certify that he or she is fully authorized to execute and

enter into the terms and conditions of this Agreement and has the legal capacity to bind the party he or she represents to this Agreement.

a. Respondent agrees that the time period from the Effective Date of this Agreement until all of the conditions specified in Paragraph 28 are completed (the "Tolling Period") shall not be included in computing the running of any statute of limitations potentially applicable to any action brought by Complainant on any claims (the "Tolled Claims") set forth in paragraph 21 of this Agreement. Respondent shall not assert, plead, or raise in any fashion, whether by answer, motion or otherwise, any defense of laches, estoppel, or waiver, or other similar equitable defense based on the running of any statute of limitations or the passage of time during the Tolling Period in any action brought on the Tolled Claims.

b. The provisions of this Agreement 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 Agreement until the end of the Tolling Period, as set out in Paragraph 43.a, Respondent must give written notice and a copy of this Agreement to any successors in interest prior to any transfer of ownership or control of any portion of or interest in the Junction Compressor Station. 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 Agreement unless the EPA has provided written approval of the release of said obligations or liabilities.

c. By signing this Agreement, Respondent acknowledges that this Agreement and Order will be available to the public and agrees that this Agreement does not contain any confidential business information or personally identifiable information.

d. By signing this Agreement, both parties agree that each party's obligations under this Consent Agreement and attached Final Order constitute sufficient consideration for the other party's

obligations. Additionally, both parties agree that Complainant's covenant not to sue Respondent (stated in Paragraph 45) during the time period between the issuance of the attached Final Order and the deadline (stated in Paragraph 28) for Respondent to complete the non-penalty conditions of this Consent Agreement constitutes sufficient consideration for Respondent's obligation to completely perform the non-penalty conditions of this Consent Agreement as stated in Paragraph 28, regardless of whether the covenant not to sue subsequently terminates.

e. By signing this Agreement, Respondent certifies that the information it has supplied concerning this matter was at the time of submission true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.

f. Except as qualified by Paragraph 27, each party shall bear its own attorneys' fees, costs, and disbursements incurred in this proceeding.

X. EFFECT OF CONSENT AGREEMENT AND ATTACHED FINAL ORDER

44. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this Consent Agreement and Final Order resolves only Respondent's liability for federal civil penalties for the violations and facts specifically alleged above.

45. Complainant covenants not to sue Respondent for injunctive or other equitable relief for the violations and facts alleged in this matter, but such covenant automatically terminates if and when Respondent fails to timely and satisfactorily complete every condition stated in Paragraph 28 (including payment of any stipulated penalties owed). If and when such covenant terminates, the United States at its election may seek to compel performance of the conditions stated in Paragraph 28 in a civil judicial action under the CAA or as a matter of contract. The covenant not to sue becomes permanent upon satisfactory performance of the conditions stated in Paragraph 28.

46. This Agreement constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof.

47. The terms, conditions, and compliance requirements of this Agreement may not be modified or amended except upon the written agreement of both parties, and approval of the Regional Judicial Officer.

48. 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.

49. Nothing in this Agreement shall relieve Respondent of the duty to comply with all applicable provisions of the Act and 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.

50. 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.

51. The EPA reserves the right to revoke this Agreement and settlement penalty if and to the extent that the EPA finds, after signing this Agreement, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to the EPA, and the EPA reserves the right to assess and collect any and all civil penalties for any violation described herein. The EPA shall give Respondent notice of its intent to revoke, which shall not be effective until received by Respondent in writing.

XI. 42 U.S.C. SECTION 162(f)(2)(A)(ii) IDENTIFICATION

52. For purposes of the identification requirement of Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), performance of subparagraphs 28.a, 28.b, 28.c, 28.d, and 28.e, is restitution or required to come into compliance with law.

XI. TERMINATION

53. Upon completion of all compliance requirements in Paragraph 28, Respondent shall provide a Statement of Completion certifying that Respondent has completed all compliance requirements pursuant to Paragraph 28.

54. After reviewing the Statement of Completion, EPA shall provide a Confirmation of Termination or notify Respondent of any outstanding compliance items.

XII. EFFECTIVE DATE

55. Respondent and Complainant agree to issuance of the attached Final Order. Upon filing, the EPA will transmit a copy of the filed Consent Agreement to the Respondent. This Consent Agreement and attached Final Order shall become effective after execution of the Final Order by the Regional Judicial Officer, on the date of filing with the Hearing Clerk.

The foregoing Consent Agreement In the Matter of Targa Badlands LLC,

Docket No. CAA-08-2019-0003, is Hereby Stipulated, Agreed, and Approved for Entry.

FOR RESPONDENT:

gfp
Francis Foret
Signature

2/4/2019
Date

Printed Name: FRANCIS FORET

Title: SR VICE PRESIDENT OPERATIONS

Address: 811 LOUISIANA, SUITE 2100, HOUSTON, TX 77002

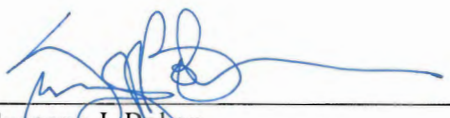
Respondent's Federal Tax Identification Number: 32-0396948

The foregoing Consent Agreement In the Matter of Targa Badlands LLC,

Docket No. CAA-08-2019-0003, is Hereby Stipulated, Agreed, and Approved for Entry.

FOR COMPLAINANT
UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY, REGION 8:

2/11/19
Date



Suzanne J. Bohan
Assistant Regional Administrator
Office of Enforcement, Compliance
and Environmental Justice

CERTIFICATE OF SERVICE

The undersigned certifies that the original of the attached **CONSENT AGREEMENT and FINAL ORDER** in the matter of **TARGA BADLANDS LLC; DOCKET NO.: CAA-08-2019-0003** was filed with the Regional Hearing Clerk on February 26, 2019.

Further, the undersigned certifies that a true and correct copy of the documents were emailed to, Max Greenblum, Enforcement Attorney. True and correct copies of the aforementioned documents were placed in the United States mail certified/return receipt on February 26, 2019, to:

Respondent

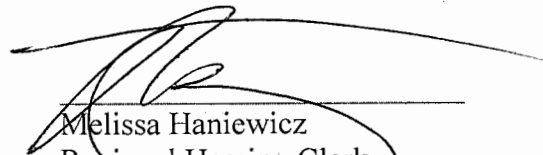
Francis Foret
Senior Vice President, Operations
Targa Resources
811 Louisiana, Suite 2100
Houston, Texas 77002

Matthew G. Paulson
Legal Representative for Targa Badlands, LLC
111 Congress Avenue, Suite 2300
Austin, Texas 78701

And emailed to:

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

February 26, 2019



Melissa Haniewicz
Regional Hearing Clerk