



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

September 22, 2009

CERTIFIED MAIL – RETURN RECEIPT REQUESTED: 7004 1160 0003 0357 7424

Mr. Mark Wagley
District Production Superintendent
Hunt Oil Company
P.O. Box 138
Poynor, TX 75782

RE: In the Matter of Hunt Oil Company
EPA Docket No.: CAA-06-2009-3311

Dear Mr. Wagley:

Please find enclosed the fully executed Complaint and Consent Agreement and Final Order (combo) in regard to the above-entitled case. Please note that Hunt Oil Company (Hunt) has thirty (30) days after the receipt of this combo to pay the agreed upon civil penalty of eleven thousand dollars (\$11,000.00). However, Hunt has already notified my staff that it has posted the penalty amount via an electronic funds transfer according to the procedures outlined in the combo.

If you have any questions regarding this matter, you may call Rusty Herbert at (281) 983-2218. Thank you for your assistance in bringing this matter to a successful conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read "John Blevins".

John Blevins
Director
Compliance Assurance and
Enforcement Division

Enclosure

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6
BEFORE THE ADMINISTRATOR

FILED
2009 SEP 23 AM 9:59
REGIONAL HEARING CLERK
EPA REGION VI

IN THE MATTER OF: § EPA DOCKET NO.: CAA-06-2009-3311
§
HUNT OIL COMPANY § COMPLAINT AND
HENDERSON COUNTY § CONSENT AGREEMENT AND
§ FINAL ORDER
POYNOR, TEXAS §
§

The Director of the Compliance Assurance and Enforcement Division of the United States Environmental Protection Agency (EPA), Region 6 (Complainant), and Hunt Oil Company (Respondent) in the above referenced proceeding, hereby agree to resolve this matter through the issuance of this Complaint and Consent Agreement and Final Order ("Complaint" and "CAFO").

I. PRELIMINARY STATEMENT

1. This proceeding is for the assessment of civil penalties pursuant to Section 113(d) of the Clean Air Act (the Act), 42 U.S.C. § 7413(d). This proceeding was instituted by the issuance of a Complaint and Notice of Opportunity for Hearing ("Complaint") incorporated herein, and is simultaneously concluded by the issuance of this CAFO against Respondent pursuant to 40 C.F.R. §§ 22.13(b) and 22.34.

2. The Complaint alleges Respondent violated regulations promulgated pursuant to the Act at its Hunt Oil Company, Fairway Gas Plant located in Poynor, Henderson County, Texas (the Facility).

3. For purposes of this proceeding, Respondent admits the jurisdictional allegations of this Complaint; however, Respondent neither admits nor denies the specific factual allegations contained in this Complaint.

4. Respondent consents to the issuance of this CAFO hereinafter recited and consents to the assessment and payment of the stated civil penalty in the amount and by the method set out in this CAFO.

5. By signature on this Complaint and CAFO, Respondent waives any right to contest the allegations in the CAFO and its right to appeal the Final Order set forth herein, and waives all defenses which have been raised or could have been raised to the claims set forth in the CAFO.

6. Compliance with all the terms and conditions of this CAFO shall resolve only Respondent's liability for federal civil penalties for the violations alleged in the Complaint and CAFO.

7. Nothing in this CAFO shall be construed to prevent or limit EPA's civil and criminal authorities, or that of other Federal, State, or local agencies or departments to obtain penalties or injunctive relief under other Federal, State, or local laws or regulations.

8. Respondent hereby certifies that as of the date of its execution of this CAFO, the Facility has corrected the violations alleged in the Complaint, and is now, to the best of its knowledge, in compliance with all the requirements of the Act.

9. Respondent represents that it is duly authorized to execute this CAFO and that the party signing this CAFO on behalf of the Respondent is duly authorized to bind the Respondent to the terms and conditions of this CAFO.

10. Respondent agrees that the provisions of this CAFO shall be binding on its officers, directors, employees, agents, servants, authorized representatives, successors, and assigns, including, but not limited to, subsequent purchasers.

11. Pursuant to §113(a)(3)(A) of the Act, 42 U.S.C. § 7413(a)(3)(A), the Administrator of EPA may issue an administrative penalty order in accordance with subsection (d) of this section when the Administrator finds that any person has violated requirements of the Act.

12. Section 113(d)(1) of the Act also authorizes EPA to bring an administrative penalty action where the first alleged date of violation occurred more than twelve (12) months prior to the initiation of the action, if the Administrator and the United States Attorney General jointly determine that a matter is appropriate for administrative action.

13. The U.S. Department of Justice and EPA have jointly determined that an administrative action is appropriate for the violations alleged herein and have, therefore, waived the limit on the age of the violations, pursuant to § 113(d) of the Act, 42 U.S.C. § 7413(d).

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

14. The Respondent is a Limited Partnership doing business in the State of Texas and is a "person" as that term is defined in Section 302(e) of the Act, 42 U.S.C. Section 7602(e), and within the meaning of Section 113(d) of the Act, 42 U.S.C. Section 7413(d).

15. At all relevant times, Respondent owned and operated the Fairway gas processing facility located in Poynor, Henderson County, Texas.

16. Section 502(d)(1) of the Act, 42 U.S.C. § 7661a(d)(1), requires each State to develop and submit to EPA an operating permit program which meets the requirements of Title V. On November 30, 2001, EPA granted full approval to the Texas Title V operating permits program. 40 C.F.R. Part 70, Appendix A (See 66 Fed. Reg. 63318). Major stationary sources of air pollution and other sources covered by Title V are required to obtain an operating permit that includes emission limitations and such other conditions necessary to assure compliance with all applicable requirements of the Act. 42 U.S.C. §§ 7661a(a) and 7661c(a).

17. The Title V operating permit program does not generally impose new substantive air quality control requirements (which are referred to as “applicable requirements”), but does require permits to contain monitoring, recordkeeping, reporting, and other requirements to assure compliance by sources with existing applicable requirements. *57 Fed. Reg.* 32250, 32251 (July 21, 1992).

18. Under 40 C.F.R. § 70.1(b), “all sources subject to [Title V must] have a permit to operate that assures compliance by the source with all applicable requirements.” Applicable requirements are defined in 40 C.F.R. § 70.2 to include “(1) any standard or other requirement provided for in the applicable implementation plan approved or promulgated by EPA through rulemaking under title I of the [Clean Air] Act that implements the relevant requirements of the Act, including any revisions to that plan promulgated in [40 C.F.R. Part 52].”

19. Pursuant to 42 U.S.C. § 7661a(a) as set out in 40 C.F.R. § 70.6(b), all terms and conditions in a Title V permit, including any provisions designed to limit a source’s potential to emit, are enforceable by the Administrator and citizens under the Act.

20. Violations of Title V are federally enforceable under Section 113 of the Act, 42 U.S.C. § 7413.

21. Federal Operating Permit O2932 issued on September 17, 2007 provides that the site and emission units authorized by the permit shall be operated in accordance with the Federal Operating Permits Program requirements under 30 TAC Chapter 122, and the General Terms and Conditions, Special Terms and Conditions contained therein.

22. Respondent is subject to Special Terms and Conditions Number 2. of Federal Operating Permit Number O2932 which provides that the Respondent shall comply with the requirements contained in 30 TAC Chapter 101 (General Air Quality Rules).

23. Special Terms and Conditions 2.H of Federal Operating Permit Number O2932 requires the permit holder to comply with the Operational Requirements of 30 TAC § 101.221(a) which states that “all pollution emission capture equipment and abatement equipment must be maintained in good working order and operated properly during facility operations. Emission capture and abatement equipment shall be considered to be in good working order and operated properly when operated in a manner such that each facility is operating within authorized emission limitations.” Approved by EPA March 30, 2005 (70 FR 16129) effective April 29, 2005.

24. Based on an air inspection conducted by EPA on September 18, 2007 at the Fairway Gas Plant, one hatch and pipe on condensate Tank EPN 1 were observed not to be maintained by Respondent in good working order and emissions testing verified the hatch was leaking greater than 10,000ppm volatile organic compounds (VOCs) during facility operations.

Count 1

25. Therefore Respondent violated Special Terms and Conditions 2.H of Federal Operating Permit O2932 and Section 502(a) of the Act, 42 U.S.C. § 7661a(a) by failing to maintain a hatch and pipe in Tank number EPN 1 in good working order during facility operations.

III. CIVIL PENALTY AND TERMS OF SETTLEMENT

26. For the reasons set forth above, Respondent has agreed to pay a civil penalty which has been determined in accordance with Section 113(d) of the Clean Air Act (Act), 42 U.S.C. § 7413(d), which authorizes EPA to assess a civil penalty of up to Twenty-Five Thousand Dollars (\$25,000) per day for each violation of the Act that occurs before January 30, 1997¹. Upon consideration of the entire record herein, including the Findings of Fact and Conclusions of Law, which are hereby adopted and made a part hereof, and upon consideration of 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 violation, payment by the violator of penalties previously assessed for the same violation, the economic benefit of noncompliance, the seriousness of the violation, and other factors as justice may require, it is ORDERED that Respondent be assessed a civil penalty of eleven thousand dollars (\$ 11,000.00).

27. Within thirty (30) days of the effective date of this Complaint and CAFO, Respondent shall pay the assessed civil penalty by cashier's, certified check or wire transfer made payable to "Treasurer, United States of America, EPA - Region 6." Payment shall be remitted in one of five (5) ways: regular U.S. Postal Service mail, to include certified mail; overnight mail; wire transfer; or Automated Clearinghouse for receiving US currency; or On Line Payment. For regular U.S. Postal Service mail, U.S. Postal Service certified mail, or U.S. Postal Service express mail, the check(s) should be remitted to:

1. The Civil Penalty Inflation Act of 1990, 28 U.S.C. § 2461, as amended by 31 U.S.C. § 3701 authorizes the United States to commence an action to assess civil penalties of not more than \$ 27,500 per day for each violation that occurs January 30, 1997 through March 15, 2004; \$ 32, 500 per day for each violation that occurs March 15, 2004 through January 12, 2009; and up to \$ 37,500 per day for each violation occurring after January 12, 2009.

U.S. EPA, Region 6
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000

For overnight mail (non-U.S. Postal Service, e.g. Fed Ex), the check(s) should be remitted to:

U.S. Bank
Government Lockbox 979077 U.S. EPA Fines & Penalties
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, MO 63101

Contact: Natalie Pearson
(314) 418-4087

For wire transfer, the payment should be remitted to:

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 "D 68010727 Environmental
Protection Agency"
with a phone number of (412) 234-4381.

For Automated Clearinghouse (also known as REX or remittance express):

Automated Clearinghouse (ACH) for receiving U.S. currency

PNC Bank
808 17th Street, NW
Washington, DC 20074
Contact – Jessie White (301) 887-6548
ABA=051036706

For On Line Payment:

WWW.PAY.GOV
Enter sfo 1.1 in search field
Open form and complete required fields.

PLEASE NOTE: Docket number CAA-06-2009-3311 shall be clearly typed on the check to ensure proper credit. The check shall also be accompanied by a transmittal letter and shall reference Respondent's name and address, the case name, and docket number of the administrative complaint and CAFO. Respondent's adherence to this request will ensure proper credit is given when penalties are received for the Region.

Respondent shall also send a simultaneous notice of such payment, including a copy of the money order, or check, and transmittal letter to the following:

Jim Yang (6EN-AT)
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733;

and

Region 6 Hearing Clerk
U.S. EPA Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

28. Respondent agrees not to claim or attempt to claim a federal income tax deduction or credit covering all or any part of the civil penalty paid to the United States Treasurer.

29. Respondent shall undertake the following supplemental environmental project (SEP), which the parties agree is intended to secure significant environmental or public health protection and improvements. Within ninety (90) days of the effective date of this Complaint and CAFO, Respondent shall begin to implement the terms of the SEP.

30. Respondent shall complete the SEP as follows:

Respondent shall conduct annual supplemental emissions inspections using FLIR infrared camera technology at the Fairway Gas Plant, Central Tank Battery, and Headers, and will repair

and eliminate leaks for a period of five years as more specifically described in the Scope of Work attached hereto as Attachment A and incorporated herein by reference.

31. The Respondent shall complete the SEP within the time schedule as set forth in Attachment A of this CAFO and shall notify the EPA upon completion of the SEP by submitting a SEP Completion Report.

32. The total expenditure for the SEP shall not be less than Fifty Thousand Dollars (\$50,000.00), in accordance with the specifications set forth in the Scope of Work. Respondent shall provide Complainant with documentation of the expenditures made in connection with the SEP within sixty (60) days after final completion of the SEP.

33. Respondent hereby certifies that, as of the date of this CAFO, Respondent is not required to perform or develop the SEP by any federal, state or local law or regulation; nor is Respondent required to perform or develop the SEP by agreement, grant or as injunctive relief in this or any other case or in compliance with state or local requirements. Respondent further certifies that Respondent has not received, and is not presently negotiating to receive, credit in any other enforcement action for the SEP.

34. Whether Respondent has complied with the terms of this CAFO through pollution reduction and pollution prevention as herein required shall be the sole determination of EPA.

(a) Respondent shall submit Annual SEP Reports to EPA for a period of five years as detailed and scheduled in the Scope of Work. The Annual SEP Report will include records of leaking components, will document problems encountered and measures

used to eliminate each leak and the success of the leak repair measures. The Annual SEP Report will document the costs that have been incurred by annual supplemental emissions inspections as specifically described in the Scope of Work attached hereto as Attachment A.

(b) Respondent shall submit a SEP Completion Report to EPA within sixty (60) days after final completion of the SEP. The SEP Report shall contain the following information:

- (1) A detailed description of the SEP as implemented;
- (2) A description of any operating problems encountered and the solutions thereto;
- (3) Itemized costs, documented by copies of purchase orders and receipts or canceled checks;
- (4) Certification that the SEP has been fully implemented pursuant to the provisions of this Consent Agreement and Final Order; and
- (5) A description of the environmental and public health benefits resulting from implementation of the SEP (with a quantification of pollutant reductions, if feasible).

(c) Respondent agrees that failure to submit Annual Reports or a final SEP Completion Report required by subsections (a) and (b) above shall be deemed a violation of this CAFO and Respondent shall become liable for stipulated penalties pursuant to paragraph 39 below.

35. Respondent shall maintain legible copies of all documents or reports submitted to EPA pursuant to this CAFO, and Respondent shall provide such documentation to EPA within seven days of a request for such information. In all documents or reports, including, without limitation, the SEP Completion Report, submitted to EPA pursuant to this CAFO, Respondent shall, by its

officers, sign and certify under penalty of law that the information contained in such document or report is true, accurate, and not misleading by signing the following statement:

I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

36. In Respondent's federal tax return, Respondent may not deduct as a business expenditure any SEP expense, and Respondent may not depreciate nor amortize any capital investment related to the SEP.

37. Nothing herein shall obligate Respondent to publicize its involvement in the SEP; however, any public statement, oral or written, in print, film or other media, made by Respondent to publicize its participation in SEP activities shall include the following language: "This project was undertaken in connection with the settlement of an enforcement action taken by the EPA for violations of CAA provisions."

38. Following receipt of the SEP Completion Report described in paragraph 34(b) above, EPA will do one of the following:

- (1) Accept the SEP Completion Report;
- (2) Reject the SEP Completion Report, notify Respondent, in writing, of deficiencies in the SEP Report and grant Respondent an additional thirty (30) days in which to correct any deficiencies; or
- (3) Reject the SEP Completion Report and seek stipulated penalties in accordance with paragraph 39 herein.

If EPA elects to exercise option (2) above, EPA shall permit Respondent the opportunity to object in writing to the notification of deficiency or disapproval given pursuant to this paragraph within ten (10) days of receipt of such notification. EPA and Respondent shall have

an additional thirty (30) days from the receipt by the EPA of the notification of objection to reach agreement. If agreement cannot be reached on any such issue within this thirty (30) day period, EPA shall provide a written statement of its decision to Respondent, which decision shall be final and binding upon Respondent. Respondent agrees to comply with any requirements imposed by EPA as a result of any such deficiency or failure to comply with the terms of this CAFO. In the event the SEP is not completed as contemplated herein, as determined by EPA, stipulated penalties shall be due and payable by Respondent to EPA in accordance with paragraph 39 herein.

39. In the event that Respondent fails to comply with any of the terms or provisions of the Agreement relating to the performance of the SEP described in paragraph 30 above and/or to the extent that the actual expenditures for the SEP do not equal or exceed the cost of the SEP described in paragraph 30 above, Respondent shall be liable for stipulated penalties according to the provisions set forth below:

(1) Except as provided in subparagraph (2) immediately below, for a SEP which has not been completed satisfactorily pursuant to paragraphs 30, 31 and 32, Respondent shall pay a stipulated penalty to the United States in the amount of Fifty Thousand Dollars (\$50,000.00).

(2) If the SEP is not completed satisfactorily, but the defendant/respondent: (i) made good faith and timely efforts to complete the project; and (ii) certifies, with supporting documentation, that at least 90 percent of the amount of money which was required to be spent was expended on the SEP, Respondent shall not pay any stipulated penalty.

(3) If the SEP is satisfactorily completed, but the Respondent spent less than 90 percent of the amount of money required to be spent for the project, Respondent shall pay the difference in the amount spent and the amount required, to the United States as a stipulated penalty.

(4) If the SEP is satisfactorily completed, and the respondent spent at least 90 percent of the amount of money required to be spent for the project, Respondent shall not pay any stipulated penalty.

(5) For failure to submit Annual SEP Reports or the SEP Completion Report required by paragraph 34 above as follows: For failure to submit an Annual SEP Report as required by paragraph 34 (a) above, Respondent shall pay a stipulated penalty in the amount of \$1,000 for each day after the 60th day the Annual SEP Report is to be submitted until the report is submitted; For failure to submit a SEP Completion Report required by paragraph 34 (b) above, Respondent shall pay a stipulated penalty in the amount of \$1,000 for each day after the 60th day after final completion of the SEP until the report is submitted.

(a) The determinations of whether the SEP has been satisfactorily completed and whether the respondent has made a good faith, timely effort to implement the SEP shall be in the sole discretion of EPA. Such determination shall not be unreasonably withheld.

(b) Stipulated penalties for subparagraph (5) above shall begin to accrue on the day after performance is due, and shall continue to accrue through the final day of the completion of the activity.

(c) Respondent shall pay stipulated penalties within fifteen (15) days of receipt of written demand by EPA for such penalties. Method of payment shall be in accordance with the provisions of paragraph 27 above. Interest and late charges shall be paid as stated in paragraph 40 herein.

(d) Nothing in this agreement shall be construed as prohibiting, altering or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondent's violation of this agreement or of the statutes and regulations upon which this agreement is based, or for Respondent's violation of any applicable provision of law.

40. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, unless otherwise prohibited by law, EPA will assess interest and late payment penalties on outstanding debts owed to the United States and a charge to cover the costs of processing and handling a delinquent claim. Interest on the civil penalty assessed in this CAFO will begin to accrue thirty (30) days after the

effective date of the CAFO and will be recovered by EPA on any amount of the civil penalty that is not paid by the respective due date. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. § 13.11(a). Moreover, the costs of the Agency's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue. See 40 C.F.R. § 13.11(b).

41. EPA will also assess a Fifteen Dollar (\$15.00) administrative handling charge for administrative costs on unpaid penalties for the first thirty (30) day period after the payment is due and an additional Fifteen Dollars (\$15.00) for each subsequent thirty (30) day period that the penalty remains unpaid. In addition, a penalty charge of up to six percent per year will be assessed monthly on any portion of the debt which remains delinquent more than ninety (90) days. See 40 C.F.R. § 13.11(c). Should a penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. See 31 C.F.R. § 901.9(d). Other penalties for failure to make a payment may also apply.

42. Pursuant to Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5), any person who fails to pay on a timely basis a civil penalty ordered or assessed under this section shall be required to pay, in addition to such penalty and interest, the United States enforcement expenses, including but not limited to, attorneys fees and costs incurred by the United States for collection proceedings, and a quarterly nonpayment penalty for each quarter during which such failure to pay persists. Such nonpayment penalty shall be 10 percent of the aggregate amount of such person's outstanding penalties and nonpayment penalties accrued as of the beginning of each quarter.

43. This document is a "Final Order" as that term is defined in the CAA Penalty Policy for the purpose of demonstrating a history of "prior such violations."

IV. RETENTION OF ENFORCEMENT RIGHTS

44. EPA does not waive any rights or remedies available to EPA for any violations by the Respondent of any other Federal laws, regulations, statutes, or permitting programs not the subject of this action.

45. Nothing in this CAFO shall relieve Respondent of the duty to comply with all applicable provisions of the CAA.

V. COSTS

46. Each party shall bear its own costs and attorneys fees.

IT IS SO AGREED:

FOR THE RESPONDENT:


Date: 14 Sept 09



Jess Nunnelee
Vice President – North American Production
Hunt Oil Company

FOR THE COMPLAINANT:

Date: 9/22/09

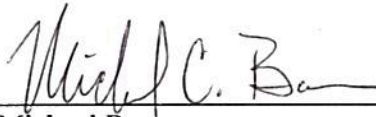


John Blevins
Director
Compliance Assurance and
Enforcement Division

FINAL ORDER

Pursuant to Section 113(d) of the Clean Air Act (Act), 42 U.S.C. § 7413(d), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, 40 C.F.R. Part 22, the foregoing Consent Agreement is hereby ratified. This Final Order shall not in any case affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Final Order shall resolve only those causes of action alleged in this CAFO. Nothing in this Final Order shall be construed to waive, extinguish, or otherwise affect Respondent's (or its officers, agents, servants, employees, successors, or assigns) obligation to comply with all applicable federal, state, and local statutes and regulations, including the regulations that were the subject of this action. The Respondent is ordered to comply with the terms of settlement as set forth in the Consent Agreement. In accordance with 40 C.F.R. § 22.31(b), this Final Order shall become effective upon filing with the Regional Hearing Clerk

Dated September 22, 2009



Michael Barra
Regional Judicial Officer
U.S. EPA Region 6

CERTIFICATE OF SERVICE

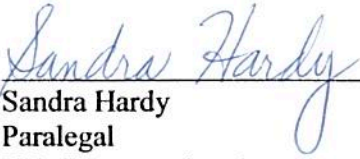
I hereby certify that on the 23rd day of September, 2009, the original and one copy of the foregoing Complaint and Consent Agreement and Final Order ("Complaint and CAFO") was hand delivered to the Regional Hearing Clerk, U.S. EPA - Region 6, 1445 Ross Avenue, Suite 1200, Dallas, Texas 75202-2733, and a true and correct copy was delivered to the following individual(s) by the method indicated below:

CERTIFIED MAIL - RETURN RECEIPT REQUESTED #

Jess Nunnelee
Vice President – North American Production
Hunt Oil Company
1900 North Akard Street
Dallas, TX 75201

CERTIFIED MAIL - RETURN RECEIPT REQUESTED #

Mark Wagley
District Product Superintendent
Hunt Oil Company
P. O. Box 138
Poynor, TX 75782


Sandra Hardy
Paralegal
U.S. EPA, Region 6
Dallas, Texas

Attachment A – SEP of Hunt Oil CAFO

Hunt Oil has agreed to a Supplemental Environmental Project (SEP) which will involve the detection and repair of VOC leaks through the use of an infrared camera at the Fairway Gas Plant, Central Tank Battery and Headers. The inspection will monitor and repair leaks in areas of the Fairway Gas Plant, Central Tank Battery and Headers as listed below that were not previously required to be inspected for leaks through the use of an infrared camera and should provide for additional VOC reductions at the facility.

A. Scope of Work

- Select a contractor to perform the leak detection survey and document its results.
- Perform an annual infrared camera survey to detect the presence of components leaking VOCs from the Fairway Gas Plant, Central Tank Battery (CTB) - CTB 5, CTB 11, CTB 16, CTB 17, CTB 18, and Headers 3 and 14.
- Record evidence of leaking components and recommend measures to eliminate each leak.
- Perform a follow-up survey of the leaking components and document success of the leak repair measures.
- Prepare recommendations for additional actions to ensure successful elimination of leaks (such as maintenance, shutdown, or ordering parts).
- Take appropriate measures to eliminate the leaks based on recommendations.
- Submit an annual report to EPA, each year, on what has accomplished on leak prevention and what the annual costs are, document activities associated with leak detection, survey results and recommendations, actions taken to mitigate leaks, success of past attempts to mitigate leaks, as well as annual costs of SEP activities.
- Repeat the above program annually for a total of five years.
- Submit a final SEP report certified by an appropriate corporate official, after the fifth year of leak detection and mitigation activities. The final report will be a compilation of the five years of Annual SEP Reports and will include a summary section with findings and recommendations.

B. Schedule

The emission monitoring project will consist of a series of activities which will be repeated annually for five years. The schedule for the first years activities will begin with the effective date of the CAFO, and the schedule for the following years are calculated from the anniversary of the effective date.

- Within 90 days, complete a leak survey and identify leak elimination activities.
- Within 180 days, complete leak elimination activities
- Within 210 days, complete follow-up survey
- Within 270 days, complete leak elimination activities related to follow-up survey.
- Within 365 days, submit Annual SEP Report for a period of five years.
- Within 60 days after the fifth year, submit the Final SEP Report.

C. Costs and Timeframes

Hunt Oil Company estimates an annual cost of at least \$ 10,000 annually for this program, for a total of \$ 50,000 over the five year SEP period.

Camera and Inspection by a subcontractor \$ 2500 for 3 days = \$ 7,650

Inspector Escort (contractor) \$ 450 for 3 days = \$ 1350

Contractor Expenses \$ 150 for 3 days = \$ 450

Report Preparation \$ 1000 1 time = \$ 1000

Total Annual Estimated Cost \$ 10,450