



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, Pennsylvania 19103-2852

SENT BY ELECTRONIC MAIL

Jeremy Graham
Director of Operations
Stonehaven Energy Management Company, LLC
1251 Waterfront Place, Suite 540
Pittsburgh, PA 15222
jgraham@hydrocarbonfarms.com

Re: Notice of Violation and Administrative Order for Violations of the Clean Air Act at Stonehaven Energy Management Company's Facility in Cranberry, Pennsylvania

Dear Mr. Graham:

On September 21, 2022, the U.S. Environmental Protection Agency, Region III ("EPA") inspected the above-referenced facility to evaluate its compliance with Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and the Chemical Accident Prevention Provisions at 40 C.F.R. Part 68 (the "Inspection"). Based on its Inspection of the facility, EPA has determined that Stonehaven Energy Management Company, LLC ("Stonehaven") has violated the CAA. EPA provided an inspection report to the company on December 22, 2022.

EPA's primary concern is the facility's return to full compliance as expeditiously as possible. Accordingly, enclosed is a Notice of Violation and Administrative Order ("Order"), which explains the laws and regulations violated and what actions Stonehaven must take to come back into compliance.

Your immediate attention to this matter is greatly appreciated. If you have any questions, please do not hesitate to contact Zoe Longenecker-Wright at 215-814-2924 or have your attorney contact Jefferie Garcia, Esq. at 215-814-2697.

Sincerely,

Karen Melvin, Director
Enforcement & Compliance Assurance Division
U.S. Environmental Protection Agency, Region III

cc: Jefferie Garcia
Zoe Longenecker-Wright

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III

IN THE MATTER OF)	
)	
STONEHAVEN ENERGY)	NOTICE OF VIOLATION AND
MANAGEMENT COMPANY LLC)	ADMINISTRATIVE ORDER
1251 Waterfront Place, Suite 540)	
Pittsburgh, PA 15222)	
)	
Respondent.)	
)	
8570 U.S. Route 322)	
Cranberry, PA 16319,)	U.S. EPA Docket No. CAA-03-2023-0082DA
)	
Facility.)	
)	
)	
Proceeding under Section 113(a) of the)	
Clean Air Act, 42 U.S.C. § 7413(a))	
)	

INTRODUCTION

1. The United States Environmental Protection Agency Region 3 (“EPA”) issues this Notice of Violation (“NOV”) and Administrative Order (“Order”) to Stonehaven Energy MGT CO LLC (“Stonehaven” or “Respondent”) for Respondent’s failure to comply with Section 112(r)(7) of the Clean Air Act (“CAA” or “the Act”), 42 U.S.C. § 7412(r)(7), including implementing regulations, the Chemical Accident Prevention Provisions, at 40 C.F.R. Part 68. Under Delegation No. 7-6-A, the Administrator has delegated the authority to issue orders under Section 113(a) of the CAA within the geographical jurisdiction of EPA Region III to the Regional Administrator of EPA Region III, and on April 15, 2019, the Regional Administrator re-delegated this authority to the Director of Region III’s Enforcement and Compliance Assurance Division. For purposes of this NOV and Order, the geographical jurisdiction of EPA Region III includes the Commonwealth of Pennsylvania.

STATUTORY AND REGULATORY AUTHORITY

2. EPA issues this NOV and AO under the authority of Section 113(a) of the CAA, 42 U.S.C. § 7413(a). Section 113(a)(3)(B) of the CAA, 42 U.S.C. § 7413(a)(3)(B), provides that EPA may issue an order requiring compliance with the requirements or prohibitions of Subchapter I of the CAA (which include, *inter alia*, the requirements of Section 112(r), 42 U.S.C. § 7412(r)). A copy of the order must be sent to the relevant State air pollution control agency. An order relating to a violation of Section 112 of the CAA may take effect immediately upon issuance.

3. The purpose of Section 112(r) of the CAA and its implementing regulations is “to prevent the accidental release and to minimize the consequences of any such release” of an “extremely hazardous substance.” 42 U.S.C. § 7412(r)(1).

4. Section 112(r) of the CAA, 42 U.S.C. § 7412(r), authorizes EPA to promulgate regulations and programs to prevent and minimize the consequences of the accidental release of certain regulated substances. Section 112(r)(3), 42 U.S.C. § 7412(r)(3), mandates that EPA promulgate a list of substances that are known to cause or may reasonably be anticipated to cause death, injury, or serious adverse effects to human health or the environment if accidentally released. Section 112(r)(5), 42 U.S.C. § 7412(r)(5), requires that EPA establish, for each listed substance, a threshold quantity over which an accidental release is known to cause or may reasonably be anticipated to cause death, injury, or serious adverse effects to human health. Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), requires EPA to promulgate requirements for the prevention, detection, and correction of accidental releases of regulated substances, including a requirement that owners or operators of certain stationary sources prepare and implement a Risk Management Plan (“RMP Plan”).

5. The regulations promulgated pursuant to Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), are found at 40 C.F.R. Part 68. Under Section 112(r)(7)(E) of the CAA, 42 U.S.C. § 7412(r)(7)(E), it is unlawful for any person to operate a stationary source subject to the regulations promulgated pursuant to Section 112(r) of the CAA, 42 U.S.C. § 7412(r), in violation of such regulations.

6. Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C), defines “stationary source” as, *inter alia*, any buildings, structures, equipment, installations or substance emitting stationary activities which belong to the same industrial group, which are located on one or more contiguous properties, which are under the control of the same person (or persons under common control) and from which an accidental release may occur.

7. Under 40 C.F.R. § 68.10, an owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process must comply with the requirements of Part 68.

8. Section 302(e) of the CAA, 42 U.S.C. § 7602(e), defines “person” as including an individual, corporation, partnership, association, State, municipality, political subdivision of a State and any agency, department, or instrumentality of the United States and any officer, agent, or employee thereof.

9. The regulations at 40 C.F.R. § 68.3 define “natural gas processing plant (gas plant)” as any processing site engaged in the extraction of natural gas liquids from field gas, fractionation of mixed natural gas liquids to natural gas products, or both, classified as North American Industrial Classification System (NAICS) code 211112 (previously Standard Industrial Classification (SIC) code 1321).

10. The regulations at 40 C.F.R. § 68.3 define “threshold quantity” as the quantity specified for regulated substances pursuant to Section 112(r)(5) of the CAA, listed in 40 C.F.R. § 68.130, Table 1, and determined to be present at a stationary source as specified in 40 C.F.R. § 68.115.

11. The regulations at 40 C.F.R. § 68.3 define “regulated substance” as any substance listed pursuant to Section 112(r)(3) of the CAA in 40 C.F.R. § 68.130.

12. The regulations at 40 C.F.R. § 68.3 define “process” as any activity involving a regulated substance, including any use, storage, manufacturing, handling, or on-site movement of such substances, or combination of these activities. For the purposes of this definition, any group of vessels that are interconnected, or separate vessels that are located such that a regulated substance could be involved in a potential release, should be considered a single process.

13. Pursuant to Part 68, each process in which a regulated substance is present in more than a threshold quantity (“covered process”) is subject to one of three Risk Management Programs. Program 1 is the least comprehensive and Program 3 is the most comprehensive. Pursuant to 40 C.F.R. § 68.10(g), a covered process is subject to Program 1 if, among other things, the distance to a toxic or flammable endpoint for a worst-case release assessment is less than the distance to any public receptor. Under 40 C.F.R. § 68.10(i), a covered process is subject to Program 3 if the process does not meet the eligibility requirements for Program 1 and is either in a specified NAICS code or subject to the Occupational Safety and Health Administration (“OSHA”) process safety management (“PSM”) standard at 29 C.F.R. § 1910.119. Under 40 C.F.R. § 68.10(h), a covered process that meets neither Program 1 nor Program 3 requirements is subject to Program 2.

14. The regulations at 40 C.F.R. § 68.12 mandate that the owner or operator of a stationary source implement the chemical accident provisions of Part 68 to which it is subject and submit to EPA an RMP Plan, which documents its compliance with Part 68.

15. Additionally, 40 C.F.R. § 68.190(b) requires the owner or operator of a stationary source to revise and update the RMP Plan submitted to EPA at least once every five years from the date of its initial submission or most recent update.

GENERAL ALLEGATIONS

16. Respondent, Stonehaven, is the owner and operator of a facility that extracts, processes, and stores natural gas located at 8570 U.S. Route 322 in Cranberry, Pennsylvania (the “Facility”).

17. Respondent, Stonehaven is a limited liability company organized in the Commonwealth of Pennsylvania, with its principal place of business located at 8570 U.S. Route 322 in Cranberry, Pennsylvania.

18. Respondent, Stonehaven, is a “person” within the meaning of Section 302(e) of the Act, 42 U.S.C. § 7602(e), against whom an administrative order may be issued under Section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3).

19. At the Facility, Respondent receives field gas from nearby wells, mechanically removes liquids, compresses the gas, removes water, extracts natural gas liquids via a propane refrigeration process, then injects the processed natural gas into an interstate gas pipeline system. The extracted natural gas liquids, also known as liquefied petroleum gas (“LPG”), are stored at the Facility in one 30,000-gallon pressurized aboveground bullet storage tank.

20. An initial RMP Plan for the Facility was submitted to EPA on June 23, 1999. Subsequent resubmissions were made on June 23, 2004, August 4, 2005, July 30, 2010, October 27, 2015 and October 21, 2022. Each of the RMP Plans for the Facility acknowledge that the process undertaken at the Facility is subject to Program 3 under the Chemical Accident Prevention Provisions at 40 C.F.R. Part 68.

21. On September 21, 2022, EPA conducted an inspection of the Facility to determine whether Respondent was in compliance with Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and the Chemical Accident Prevention Provisions at 40 C.F.R. Part 68 (the “Inspection”). At the time of the Inspection, Respondent had present at the Facility one 30,000-gallon bullet tank containing LPG. LPG is a flammable mixture (CAS No. 00-11-11) with a flammability rating of 4. LPG consists of various chemicals, including pentane, propane, ethane, isopentane, butane, and isobutane, all of which are chemicals listed in 40 C.F.R. § 68.130, Table 3. Based on Respondent’s response to EPA’s January 24, 2022, Information Request Letter, the LPG mixture stored at the Facility consists of 51% propane, 29% butane, 12% isobutane, 3% isopentane, 3% pentane, and 2% ethane. The 2022 updated RMP Plan for the Facility states that 136,879 pounds of a flammable mixture (LPG) was stored at the Facility.

22. Pursuant to 40 C.F.R. § 68.115(b)(2), if the concentration of a regulated substance is one percent or greater in a flammable mixture, then the total weight of the mixture shall be treated as the regulated substance when determining whether more than a threshold quantity of a listed substance is present in a process.

23. The threshold quantity for a mixture of flammable substances containing the regulated substances propane, pentane, ethane, isopentane, butane or isobutane at a concentration greater than one percent is 10,000 pounds, pursuant to 40 C.F.R. §§ 68.115(b)(2) and 68.130, Table 3.

24. EPA has determined that more than a threshold quantity of a regulated substance is present in a process at the Facility.

25. The Facility constitutes a “natural gas processing plant,” and is a “stationary source,” as those terms are defined at 40 C.F.R. § 68.3.

26. Respondent is subject to the requirements of Section 112(r) of the CAA, 40 U.S.C. § 7412(r), and 40 C.F.R. Part 68, because Respondent is the owner and operator of a stationary source that has more than a threshold quantity of a regulated substance in a process.

NOTICE OF VIOLATION

COUNT I: Operating Procedures: Failure to Certify that Operating Procedures are Current and Accurate

27. EPA realleges and incorporates by reference Paragraphs 1 through 26 as if fully set forth at length.

28. According to 40 C.F.R. § 68.69(c), operating procedures for a covered process shall be reviewed as often as necessary to assure that they reflect current operating practice, and the owner or operator shall certify annually that these operating procedures are current and accurate.

29. During the Inspection, EPA inspectors observed that the operating procedures did not include a certification statement.

30. Respondent failed to certify that the Facility's operating procedures were current and accurate.

31. By failing to certify that the operating procedures for the covered process were current and accurate, Respondent violated 40 C.F.R. § 68.69(c) and CAA Section 112(r)(7)(E), 42 U.S.C. § 7412(r)(7)(E).

COUNT II: Process Safety Information: Failure to Compile Information Pertaining to Equipment in the Process; Piping and Instrumentation

32. EPA realleges and incorporates by reference Paragraphs 1 through 31 as if fully set forth at length.

33. According to 40 C.F.R. § 68.65(d)(1)(ii), the owner or operator of a stationary source with a Program 3 process must compile process safety information pertaining to equipment in the process, which shall include piping and instrument diagrams ("P&IDs").

34. During the Inspection, EPA inspectors observed several discrepancies between the Facility's P&ID with the actual field observations. Specifically, during the Inspection, EPA observed that the piping configuration of the accumulator vessel, V-207, included a one-half-inch capped pipe and a two-inch capped pipe both extending from the top of the vessel but neither pipe is shown on the P&ID. Additionally, the P&ID showed an active temperature element/thermowell on the piping extending from the bottom of the accumulator vessel, V-207, but no temperature element was observed during the Inspection.

35. By failing to compile a P&ID that accurately reflects the piping and instruments related to the accumulator vessel, Respondent violated 40 C.F.R. § 68.65(d)(1)(ii) and Section 112(r)(7)(E) of the CAA, 42 U.S.C. § 7412(r)(7)(E).

COUNT III: Process Safety Information: Failure to Document that Equipment Complies with Recognized and Generally Accepted Good Engineering Practices

36. EPA realleges and incorporates by reference Paragraphs 1 through 35 as if fully set forth at length.

37. According to 40 C.F.R. § 68.65(d)(1)(ii),(v), (vi) and (d)(2), the owner or operator of a stationary source with a Program 3 process must compile process safety information pertaining to the Facility's equipment including piping and instrument diagrams, ventilation system design, and design codes and standards relevant to the equipment; 40 C.F.R. § 68.65(d)(2) requires such owners and operators to document that the equipment complies with recognized and generally accepted good engineering practices ("RAGAGEPs"). RAGAGEPs are industry codes and standards that form the basis for engineering, operation and maintenance activities.

38. During the Inspection, and as stated at length in Attachment A to this Order which EPA incorporates into this Order as if fully set forth at length, EPA observed that Respondent failed to document that the equipment complies with RAGAGEPs.

Specifically as presented in Attachment A, EPA inspectors observed that (a) the Facility lacked an adequate fire safety analysis; (b) the Facility lacked adequate fire suppression; (c) the pressure relief valves on numerous equipment had significant surface corrosion; (d) the propane chiller skid had significant ice buildup and damaged insulation; (e) the emergency stop switched located throughout the Facility had not been tested; (f) the Lower Explosive Level sensors had not been properly calibrated; (g) the piping lacked adequate support; (h) the piping lacked adequate labeling; (i) the storage tank lacked adequate labeling; (j) anodes on underground piping were damaged; (k) piping was not painted at the interface between the piping support; (l) a portable propane storage tank had significant corrosion; (m) hoses used in the process had been exposed to the elements and were not protected from physical damage; (n) pressure relieve valves discharged into improper piping design;; and (o) ventilation from the compressor building was inadequate.

39. By failing to document that the equipment complies with RAGAGEPs, Respondent violated 40 C.F.R. § 68.65(d)(2) and Section 112(r)(7)(E) of the CAA, 42 U.S.C. § 7412(r)(7)(E).

COUNT IV: Failure to Comply with Program 3 Mechanical Integrity Requirements

40. EPA realleges and incorporates by reference Paragraphs 1 through 39 and Attachment A as if fully set forth at length.

41. Pursuant to 40 C.F.R. § 68.73(b), the owner or operator of a stationary source with a Program 3 process must establish and implement written procedures to maintain the ongoing integrity of process equipment. Inspections and testing procedures shall follow RAGAGEP, and the frequency of inspections and tests shall be consistent with manufacturer's recommendations and good engineering practices, or more frequently if needed based on prior operating experience. 40 C.F.R. § 68.73(d)(1)-(3). The owner or operator must also document the inspections or tests on process equipment, correct deficiencies, assure that any new equipment is suitable for the process application, perform checks to ensure that equipment is installed properly, and assure that maintenance materials and spare parts are suitable for the process application. 40 C.F.R. § 68.73(d)(4), (e), (f).

42. Based on information provided by the Respondent following the Inspection, EPA determined that the Respondent is not performing inspections and testing of process equipment as required by 40 C.F.R. § 68.73(d)(2), (d)(3) and 68.73(e).

43. As stated at length in Attachment A, which is incorporated by reference into this Order, and in violation of 40 C.F.R. § 68.73(d)(2), (d)(3) and 68.73(e), Respondent had not inspected or tested the process equipment and did not correct deficiencies in process equipment.

Specifically, (a) LEL sensors had not been inspected or tested to verify accuracy; (b) emergency stops had not been inspected or tested to verify functionality; (c) the propane chiller skid had not been inspected or tested since 2009; (d) the propane heat exchanger had not been inspected or tested since 2009; (e) the piping leading to the propane tank had not been inspected or tested since 2009; and (f) there is no documentation of an inspection or test of the portable propane storage tank.

44. By failing to comply with the Program 3 mechanical integrity requirements, Respondent violated 40 C.F.R. § 68.73(d)(2), (d)(3) and § 68.73(e) and Section 112(r)(7)(E) of the CAA, 42 U.S.C. § 7412(r)(7)(E).

COUNT V: Failure to Comply with Emergency Response

45. EPA realleges and incorporates by reference Paragraphs 1 through 44 as if fully set forth at length.

46. Pursuant to 40 C.F.R. § 68.90(b)(2), the owner or operator of a stationary source with a Program 3 process whose employees will not respond to accidental releases of regulated substances must coordinate a response action with the local fire department.

47. During the Inspection, EPA inspectors were informed by Facility personnel that Respondent's Facility is unmanned, and Respondent had not coordinated a response action with the local fire department.

48. By failing to coordinate a response action with the local fire department, Respondent violated 40 C.F.R. § 68.90(b)(2) and CAA Section 112(r)(7)(E), 42 U.S.C. § 7412(r)(7)(E).

ADMINISTRATIVE ORDER

49. Respondent shall undertake the action and provide the information specified below (the "Work").

- a. Within thirty (30) days of the Effective Date of this Order, identify a person, subject to acceptance by EPA, competent to undertake the implementation of improvements to the Facility to address the conditions described in Paragraphs 27-48, above. The Work shall be consistent with the safety protection provided by the industry standards American Petroleum Institute 2510, 2510A, 510 and 570; National Fire Protection Association 30; and other applicable industry codes or standards;
- b. Within forty-five (45) days of receipt of EPA's written acceptance of the person competent to undertake the Work, Respondent shall submit to EPA for approval a workplan and schedule ("Workplan and Schedule") to address the conditions described in Paragraphs 27-48, above;
- c. EPA will review the Workplan and Schedule submitted pursuant to subparagraph 49(b), and will either accept it or direct Respondent to make changes and resubmit the document within twenty (20) days;
- d. Within seven (7) days of receipt of EPA's written acceptance of the Workplan and Schedule, submitted pursuant to subparagraph 49(b), Respondent shall initiate implementation of the EPA-accepted Workplan and complete the Workplan in accordance with the EPA-accepted Schedule;

- e. On the one-month anniversary of the Effective Date of this Order, and each thirty (30) days thereafter, Respondent shall submit a written monthly progress report to EPA detailing steps taken during the preceding month to implement the EPA-accepted Workplan in accordance with the EPA-accepted Schedule;
- f. Within thirty (30) days after completing the Work in accordance with the EPA-accepted Workplan and Schedule at the Facility, Respondent shall submit to EPA, for EPA's approval, a written report verifying that Respondent has complied with the requirements of subparagraph 49(d) at the Facility ("Completion Report"). The Completion Report, with the following certification, shall be signed by a responsible official of Respondent, as such term is defined in paragraph 50, below:

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.

- g. EPA will review the Completion Report submitted pursuant to subparagraph 49(f), above, and will either approve it in writing or identify deficiencies in writing ("Notice of Work Deficiencies") and direct Respondent to correct and/or re-perform any or all Work disapproved by EPA and resubmit the report for EPA approval within thirty (30) days of receiving the Notice of Work Deficiencies associated with the Completion Report.

50. Any notice, report, plan, certification, data presentation or other document submitted by Respondent under or pursuant to this Order which discusses, describes, demonstrates or supports any finding or makes any representation concerning Respondent's compliance or noncompliance with any requirement(s) of this Order shall be certified by a responsible official of said Respondent. The term "responsible official" means: (i) the president, secretary or vice-president of the corporation in charge of principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or (ii) the manager of one or more manufacturing facilities employing more than 250 persons or having gross annual sales or expenditures exceeding \$25 million (in second quarter 1980 dollars), if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures. The responsible official of a partnership or sole proprietorship means the general partners or the proprietor, respectively.

51. Respondent shall provide EPA and its representatives, including contractors and grantees, with access to the Facility for the purpose of assessing Respondent's compliance with this Order and with the Act. Respondent shall also provide EPA and its representatives, including contractors and grantees, with access to all records relating to Respondent's implementation of this Order, and shall comply with all requests for information pertaining to this Order.

52. Respondent shall preserve all documents and information relating to the activities carried out pursuant to this Order for five (5) years after completion of the Work required by this Order. Upon request, Respondent shall provide EPA with copies of such documents and information.

53. All documents submitted by Respondent to EPA in the course of implementing the Order shall be available to the public unless identified as confidential by the Respondent pursuant to 40 C.F.R. Part 2, Subpart B, and determined by EPA to require treatment as confidential business information in accordance with applicable law.

GENERAL PROVISIONS

54. Any violation of this Order may result in a civil administrative or judicial action for an injunction or civil penalties of up to \$55,808 per day per violation, or both, as provided in Sections 113(b)(2) and 113(d)(1) of the Act, 42 U.S.C. §§ 7413(b)(2) and 7413(d)(1), as amended by the Debt Collection Improvement Act, as well as criminal sanctions as provided in Section 113(c) of the Act, 42 U.S.C. § 7413(c). EPA may use any information submitted under this Order in an administrative, civil judicial, or criminal action.

55. Nothing in this Order shall relieve Respondent of the duty to comply with all applicable provisions of the Act or other federal, state or local laws or statutes, nor shall it restrict EPA's authority to seek compliance with any applicable law 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.

56. Nothing herein shall be construed to limit the power of 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.

57. Neither EPA nor the United States, by issuance of this Order, assumes any liability for any acts or omissions by Respondent or Respondent's employees, agents, contractors, or consultants engaged to carry out any action or activity pursuant to this Order, nor shall EPA or the United States be held as a party to any contract entered into by Respondent or by Respondent's employees, agents, contractors, or consultants engaged to carry out the requirements of this Order.

58. The provisions of this Order shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns. From the Effective Date of this Order until the Termination Date as set out in Paragraph 71 below, Respondent must give written notice and a copy of this Order to any successors in interest prior to any transfer of ownership or control of any portion of or interest in the Facility. Simultaneously with such notice, Respondent shall provide written notice of such transfer, assignment, or delegation to EPA. In the event of any such transfer, assignment, or delegation, Respondent shall not be released from the obligations or liabilities of this Order unless EPA has provided written approval of the release of said obligations or liabilities.

59. Unless this Order states otherwise, whenever, under the terms of this Order, written notice or other document is required to be given, it shall be directed to the individuals specified at the addresses below via electronic mail unless those individuals or their successors give notice of a change of address to Respondent in writing:

For EPA:

Zoe Longenecker-Wright, Risk Management Program Coordinator
Enforcement & Compliance Assurance Division (3ED12)
U.S. Environmental Protection Agency, Region III
Four Penn Center
1600 John F. Kennedy Blvd.
Philadelphia, Pennsylvania 19103
Phone: (215) 814-2924
longeneckerwright.zoe@epa.gov

cc: Jefferie E. Garcia, Senior Assistant Regional Counsel
Office of Regional Counsel (3RC20)
U.S. Environmental Protection Agency, Region III
Four Penn Center
1600 John F. Kennedy Blvd.
Philadelphia, Pennsylvania 19103
Phone: (215) 814-2697
garcia.jefferie@epa.gov

60. To the extent this Order requires Respondent to submit any information to EPA, Respondent may assert a business confidentiality claim covering part or all of that information, but only to the extent and only in the manner described in 40 C.F.R. Part 2, Subpart B. EPA will disclose information submitted under a confidentiality claim only as provided in 40 C.F.R. Part 2, Subpart B. If Respondent does not assert a confidentiality claim, EPA may make the submitted information available to the public without further notice to Respondent.

61. Any reports, plans, specifications, or other submissions required by this Order are, upon acceptance by EPA, incorporated into this Order. Any non-compliance with such EPA-accepted reports, plans, specifications, schedules, or other submissions shall be considered non-compliance with the requirements of this Order.

62. No informal advice, guidance, suggestions or comments by EPA regarding reports, plans, specifications, schedules, or other submissions by the Respondent or the requirements of this Order will be construed as relieving the Respondent of its obligations to obtain formal acceptance when required by this Order, and to comply with the requirements of this Order unless formally modified.

63. This Order may be modified or amended in a writing executed by the Director of the Enforcement & Compliance Assurance Division. Such modifications or amendments shall be effective on the date they are fully executed by the Director of the Enforcement & Compliance Assurance Division or such other date as set by the Director of the Enforcement & Compliance Assurance Division. Minor modifications to the Workplan and Schedule may be approved by EPA's Chief of the Oil and Prevention Section, Enforcement & Compliance Assurance Division, Arlin Galarza-Hernandez.

64. In the event of an inability or anticipated inability of Respondent to perform any of the actions required by this Order in the time and manner required herein, the Respondent shall notify EPA orally within twenty-four (24) hours of such event (or, if the event occurs on a Friday or Saturday, Sunday, or legal holiday, no later than the following business day) and in writing as soon as possible, but in no event more than three (3) days after such event. Such notice shall set forth the reason(s) for, and the expected duration of, the inability to perform; the actions taken and to be taken by Respondent to avoid and mitigate the impact of such inability to perform; and the proposed schedule for completing such actions. Such notification shall not relieve Respondent of any obligation of this Order. Respondent shall take all reasonable actions to prevent and minimize any delay.

65. Failure by Respondent to carry out any requirement of this Order in accordance with the terms and conditions specified herein may result in the initiation of an enforcement action against Respondent to require Respondent to perform such actions, in addition to any other relief that may be available to EPA pursuant to applicable law.

66. Nothing in this Section or any other provision of this Order shall be construed to limit any powers EPA may have under the Act or any other law or regulation. This NOV and Order does not resolve Respondent's liability for past violations of the Act or for any violations that continue from the date of this NOV and Order up to the date of compliance.

67. Neither EPA nor the United States, by the issuance of this NOV and Order, assumes any liability for any acts or omissions by Respondent or Respondent's employees, agents, contractors, or consultants engaged to carry out any action or activity pursuant to this NOV and Order; nor shall EPA or the United States be held as a party to any contract entered into by Respondent or Respondent's employees, agents, contractors, or consultants engaged to carry out the requirements of this NOV and Order.

EFFECTIVE DATE AND OPPORTUNITY TO CONFER

68. This NOV and Order shall take effect seven (7) days after Respondent's receipt ("Effective Date"). The NOV and Order shall apply to Respondent, its officers, agents, servants, employees, successors and assigns, and to all persons, firms, and corporations acting under, through or for Respondent.

69. Respondent may request an opportunity to confer with EPA about this NOV and Order by contacting EPA Region 3 RMP Enforcement Coordinator Zoe Longenecker-Wright at (215) 814-2924 or longeneckerwright.zoe@epa.gov, or have your legal counsel contact Jefferie Garcia, Senior Assistant Regional Counsel, at (215) 814-2697 or garcia.jefferie@epa.gov. However, any conference will not extend the Effective Date.

TERMINATION

70. This Order shall terminate on the earlier of the following (the "Termination Date"):
- a. One year after the Effective Date of this Order;
 - b. The effective date of any determination by EPA that Respondent has achieved compliance with all terms of this Order.

c. Immediately upon receipt by Respondent of notice from EPA finding that an imminent and substantial endangerment to public health, welfare, or the environment has occurred.

71. Termination of this Order shall not, however, terminate Respondent's obligation to comply with any continuing obligations of any federal, state or local law, statute, ordinance, rule or regulations, and all continuing obligations shall continue as they did before the termination of the Order.

72. For purposes of Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), the amount paid or incurred by performance of the actions in Paragraphs 49 through 53 is identified as restitution or an amount paid to come into compliance with law.

73. This action is not subject to review by the Office of Management and Budget under the Paperwork Reduction Act, 44 U.S.C. §§ 3501-3521.

JUDICIAL REVIEW

74. Respondent may seek federal judicial review of the Order pursuant to Section 307(b)(1) of the Act, 42 U.S.C. § 7607(b)(1).

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III**

IN THE MATTER OF)	
)	
STONEHAVEN ENERGY)	NOTICE OF VIOLATION AND
MANAGEMENT COMPANY LLC)	ADMINISTRATIVE ORDER
1251 Waterfront Place, Suite 540)	
Pittsburgh, PA 15222,)	U.S. EPA Docket No. CAA-03-2023-0082DA
)	
Respondent.)	
)	
8570 U.S. Route 322)	
Cranberry, PA 16319)	
)	
Facility.)	
)	
)	
Proceeding under Section 113(a) of the)	
Clean Air Act, 42 U.S.C. § 7413(a))	
)	

For the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

[digitally signed and dated]
Karen Melvin, Director
Enforcement & Compliance Assurance Division

Attachment A
**EPA’s Observations at the Inspection Related to Recognized and
Generally Accepted Good Engineering Practices**

In collaboration with the American National Standards Institute (“ANSI”), the American Society of Mechanical Engineers (“ASME”) provides codes that govern the safety of mechanical equipment and issues and updates ASME A13.1 *Scheme for the Identification of Piping Systems* and ASME B31.3 *Process Piping*, which covers, among other things, materials, design, inspection and testing of piping. The ASME incorporates by reference various tank standards, including those published by the American Petroleum Institute. The American Petroleum Institute (“API”) publishes standards and guidance that are used in the oil and chemical industries, such as API 2510 Design and Construction of LPG Installations; API 510 Pressure Vessel Inspection Code: In-Service Inspection, Rating, Repair and Alteration; API 570 *Piping Inspection Code*; API 2510A Fire Protection Considerations for the Design and Operation of Liquefied Petroleum Gas; and API 521 Pressure-Relieving and Depressuring Systems. The National Fire Protection Association (“NFPA”) publishes several fire codes that are relevant to operations at chemical plants, including, but not limited to NFPA 1 *Fire Code*, NFPA 30 *Flammable and Combustible Liquids Code*, and NFPA 704 *Standard System for the Identification of the Hazards of materials for Emergency Response*. The specific codes cited in this table are as follows:

American Petroleum Institute 2510 (API 2510), Design and Construction of LPG Installations
Editions 1996 & 2001

National Fire Protection Association 30 (NFPA30), Flammable & Combustible Liquids Code
Edition 2018

National Fire Protection Association 58 (NFPA58), The Liquefied Petroleum Gas Code
Edition 2017

American Petroleum Institute 510 (API 510), Pressure Vessel Inspection Code: In-Service Inspection, Rating, Repair and Alteration-Ninth
Edition June 2006

American Petroleum Institute (API 570), Piping Inspection Code: In Service Inspection, Rating, Repair, and Alteration of Piping Systems Third
Edition November 2009

American Petroleum Institute (API 2510A), Fire Protection Considerations for the Design and Operation of Liquefied Petroleum Gas (LPG)
Storage Facilities Second Addition 1996

Process Industry Practices, PIP PNSC0011, Installation of AMSE B31.3 Metallic Piping, 2015

The American Society of Mechanical Engineers (ASME A13.1 -2015), Scheme for Identification of Piping Systems

National Fire Protection Association (NFPA 704), Standard System for the Identification of the Hazards of Materials for Emergency Response
2017

American Petroleum Institute (API 521-2007), Pressure-Relieving and Depressuring Systems

National Fire Protection Association (NFPA 497- 2008), Recommended Practice for the Classification of Flammable Liquids, Gases, or Vapors and Hazards of Hazardous (Classified) Locations for Electrical Installations in Chemical Process Areas

American Petroleum Institute (API RP-500-1997), Recommended Practice for Classification of Locations for Electrical Installations at Petroleum Facilities Classified as Class 1, Division 1 and Division 2

For Counts II and III, the following Recognized and Generally Accepted Good Engineering Practices (“RAGAGEP”) apply to Respondent’s Facility.

EPA Observation	Count	Condition Observed by EPA Inspectors at the Inspection	Applicable RAGAGEP
1	III	The Facility did not have a Fire Safety Analysis to determine fire protection provisions, water supplies, accident scenarios, automatic shutoff in the event of an LPG release and automatic shutoffs through thermal actuation.	API 2510, Section 10.1, states: “Fire protection provisions shall be based on a safety analysis of local conditions, exposure from or to other sites, availability of a water supply, and effectiveness of fire brigades and fire departments. The analysis shall include possible but realistic accident scenarios that may occur, including scenarios of vapor release, ignition, and fire. For additional information, background, and guidance, see API Publ 2510 A.”
2	III	The Facility lacked a fire suppression system on the liquid product storage tank, near the natural gas processing equipment or inside the compressor building. A portable water cannon is on-site but, at the time of the Inspection, it had not been tested and was currently inoperable.	Section 10.3.1.1 of API 2510 (2001) “A looped fire water system shall be provided around the storage and handling portions of an LPG facility.” Section 10.3.1.3 of API 2510 (2001) “The capacity of the fire water system shall be equal to the amount of fire water required to cool the largest vessel being protected (or if multiple vessels are on a commonly activated fixed deluge or spray system, the capacity of the system), plus the amount required to cool adjacent vessels, plus reserve capacity for up to three additional 250-gallon-per-minute cooling streams. Where the capacity of the fire water system is determined by the requirement for LPG storage, the system is permitted to be sectionalized to reduce the maximum simultaneous requirement for fire water.”

			Section 7.7.2 of NFPA 30 (2018) “A reliable water supply or other suitable fire control agent shall be available in pressure and quantity to meet the fire demands indicated by the specific hazards of liquid operations, storage and exposure.”
3	III, IV	Pressure relief valves (PRVs) on storage tanks, compressors and natural gas processing equipment have been in place since at least 2012 based on the PRV valve tag information and have not been inspected or tested. Many of the relief valves have surface corrosion. The Facility safety plan requires that PRVs on storage tanks, compressors and natural gas processing equipment be inspected and tested every 5 years, however, field inspection indicates this is not occurring based on the outdated PRV valve tag’s last noted inspection and test dates.	<p>Section 6.6.2.1 of API 510 (2009) “Pressure-relieving devices shall be tested and inspected at intervals that are frequent enough to verify that the valves perform reliably in the particular service conditions.</p> <p>Section 6.6.2.2 of API 510 (2009) “Unless documented experience and/or a RBI assessment indicates that a longer interval is acceptable, test and inspection intervals for pressure-relieving devices in typical process services should not exceed:</p> <ul style="list-style-type: none"> a. Five years for typical process services; and, b. Ten years for clean (non-fouling) and noncorrosive services.
4	III, IV	The propane chiller skid containing flammable liquids and gases had ice buildup on piping and damaged insulation which could indicate that there is corrosion under insulation. The Facility provided documentation for the Inspection that indicated that the last propane skid vessels inspection occurred in November of 2008 and the last piping inspection occurred in September of 2008. Despite requests from EPA, the Facility was unable to produce any	<p>Section 6.4.1 of API 510 (2006) “Unless justified by an RBI assessment, each aboveground vessel shall be given a visual external inspection at an interval that does not exceed the lesser of five years or the required internal/on-stream inspection” and Section 6.5.1.1 of API 510 (2006) “Unless justified by a [risk-based inspection; RBI] assessment, the period between internal or on-stream inspections shall not exceed one half the remaining life of the vessel or 10 years, whichever is less. Whenever the remaining life is less than four years, the inspection interval may be the full remaining life up to a maximum of two years.”</p> <p>Section 6.4 and Table 2 of API 570 (2009) that for piping system in Class I service, both visual inspections and thickness measurements should occur every 5 -years. According to Section 6.3.4.2, Class I service includes “pressurized services that can</p>

		<p>updated inspection documentation.</p>	<p>rapidly vaporize during releases, creating vapors that can collect and form an explosive mixture, such as C2, C3, and C4 streams.”</p> <p>Section 5.5.6.1 of API 510 (2006) “Inspection for CUI shall be considered for externally-insulated vessels and those that are in intermittent service or operate between: a. 10°F (-12°C) and 350°F (175°C) for carbon and low alloy steels.”</p> <p>Section 5.5.6.3 of API 510 (2006) “Although external insulation may appear to be in good condition, CUI damage may still be occurring. CUI inspection may require removal of some or all insulation. If external coverings are in good condition and there is no reason to suspect damage behind them, it is not necessary to remove them for inspection of the vessel. Considerations for insulation removal are not limited to but include:</p> <ul style="list-style-type: none"> a. History of CUI for the vessel or comparable equipment. b. Visual condition of the external covering and insulation. c. Evidence of fluid leakage, e.g., stains. d. Equipment in intermittent service. e. Condition/age of the external coating, if applicable. <p>Alternatively, shell thickness measurements done internally at typical CUI problem areas may be performed during internal inspections.”</p>
5	III, IV	<p>Facility personnel stated to EPA Inspectors that emergency stop switches located throughout the Facility had not been tested to verify they will function as intended during an emergency and which equipment they will shut down if activated. Facility personnel also stated that there were no known records of any stop switch testing at the compressor station.</p>	<p>Section 4.3.2 of API 2510A (1996) states “Relief valves, vapor depressurizing systems, emergency shutoff valves, critical backflow check valves or other equipment to prevent or control the accidental release of LPG should be tested and serviced periodically.”</p> <p>Section 6.8.4 of NFPA 30 (2018) states “Procedures shall be established for the safe shutdown of operations under emergency conditions and for safe startup following cessation of emergencies..... Procedures shall also be established and provisions shall also be made for inspection and testing of associated alarms, interlocks and controls.”</p>

6	III, IV	<p>EPA inspectors observed and were informed by Facility personnel that LEL sensors and alarms had not been calibrated since the most recent change in ownership to verify their accuracy or at what LEL level the sensors will trigger an alarm. The Facility personnel also stated that there are no known record of an LEL sensor calibration. During the Inspection, the LEL meter in the compressor building was reading 15% but no alarms had been activated even though an alarm should sound at 10%.</p>	<p>Section 4.3.2 of API 2510A (1996) “Relief valves, vapor depressurizing systems, emergency shutoff valves, critical backflow check valves or other equipment to prevent or control the accidental release of LPG should be tested and serviced periodically.”</p> <p>Section 6.8.4 of NFPA 30 (2018) “Procedures shall be established for the safe shutdown of operations under emergency conditions and for safe startup following cessation of emergencies..... Procedures shall also be established and provisions shall also be made for inspection and testing of associated alarms, interlocks and controls.”</p>
7	III	<p>Piping carrying flammable materials or attached to equipment carrying flammable materials was not adequately supported in numerous locations.</p>	<p>Section 4.4.4.1 of PIP Process Piping Code (2015) “Permanent supports, anchors and other restraints, including supplementary structural steel as required for supports shall be erected. Support steel shall be of structural quality without sharp corners or edges.”</p> <p>Section 4.4.4.3 of PIP Process Piping Code (2015) “Pipe shall not visibly sag and shall be braced to avoid excessive sway, as required by the owner. Install anchors, guides, spring hangers, or expansion loops to permit expansion and contraction as shown on the drawings and as required by the owner.”</p>

EPA Observation	Count	Condition Observed by EPA Inspectors at the Inspection	Applicable RAGAGEP
8	III	Natural gas piping and natural gas liquid piping associated with the filters, the propane chiller skid and the liquid product storage tank were not adequately labeled to indicate contents, direction of flow, physical state (i.e., liquid or vapor), or pressure level (i.e., high or low).	Section 3.1 of ASME A13.1 (2015) “Positive identification of the contents of a piping system shall be by lettered legend, giving the name of the contents in full or abbreviated form ... Arrows shall be used to indicate direction of flow. Where flow can be in both directions, arrows in both directions shall be displayed. Contents shall be identified by a legend with sufficient additional details such as temperature, pressure, etc., as are necessary to identify the hazard.”
9	III	Neither the liquid product storage tank nor the fencing surrounding the storage tank had NFPA Hazard Identifications Signs to designate the flammability hazard of pressurized liquid contained.	Section 4.3 of NFPA 704 (2017) “Signs shall be in locations approved by the authority having jurisdiction and as a minimum shall be posted at the following 1) two exterior walls or enclosures containing a means of access to a building or facility; 2) each access to a room or area; and 3) each principal means of access to an exterior storage area.”
10	III, IV	Anodes on underground natural gas piping entering the Facility were damaged at the soil/air (S/A) interface and were likely not providing corrosion protection.	Section 5.6.2 of API 570 (2009) “Corrosion Monitoring Locations (CMLs) should be established for areas with continuing CUI, corrosion at Soil/Air interfaces, or other locations of potential localized corrosion as well as for general, uniform corrosion.” Section 6.3.4 of API RP 574 (1998) “Inspection at grade should include checking for coating damage, bare pipe, and pitting depth measurements. If significant corrosion is noted, thickness measurements and excavation maybe required to assess whether the corrosion is localized to the S/A interface or may be more pervasive to the buried system.”

11	III, IV	Piping carrying flammable liquids to the liquid product storage tank from the propane chiller was not painted at the interface between the above-ground piping and the piping support, and there was no other means observed, to protect against corrosion.	<p>Section 6.11.3.11 of NFPA 58 “The portion of aboveground piping in contact with a support or a corrosion-causing substance shall be protected against corrosion.”</p> <p>Section 5.5.4 of API 570 “An external visual inspection is performed to determine the condition of the outside of the piping, insulation system, painting, and coating systems, and associated hardware; and to check for signs of misalignment, vibration, and leakage. When corrosion product buildup is noted at pipe support contact areas, it may be necessary to lift the pipe off such supports for inspection.”</p>
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EPA Observation	Count	Condition Observed by EPA Inspectors at the Inspection	Applicable RAGAGEP
12	III, IV	A portable propane storage tank used to supply propane to the chiller skid was over 50 years old and had significant surface corrosion. No inspection records were available at the Facility to determine if and when the tank has ever been inspected; however, Facility personnel at the Inspection had indicated to EPA Inspectors that no tests or inspections had been undertaken on any equipment at the Facility.	Section 6.5.1.1 of API 510 (2006) “Unless justified by a RBI [risk-based inspection] assessment, the period between internal or on-stream inspections shall not exceed one half the remaining life of the vessel or 10 years, whichever is less. Whenever the remaining life is less than four years, the inspection interval may be the full remaining life up to a maximum of two years.”

13	III	<p>Hose Management: 1. A spare hose located at the liquid product loadout station was exposed to the elements and not protected from physical damage. 2. The hose used to transfer propane from the propane storage tank to the chiller skid was exposed to the elements and not protected from physical damage. 3. A hose used to provide a bypass between two operating units was not protected from the elements and physical damage. Facility personnel stated to EPA Inspectors that they do not have a hose management program to inspect hoses for damage or defects prior to each use or to test hoses annually.</p>	<p>Section 9.5.1.3.3 of API 2510 (2001) “Hose assemblies shall be visually inspected before each use for damage or defects. Hose assemblies shall be tested at least annually at whichever is greater, the maximum pump discharge pressure or the relief valve setting.</p> <p>Section 9.5.2 of API 2510 (2001) “Hose shall be protected from the elements and physical damage. Particular attention shall be given to the prevention of potentially damaging ice formation on the corrugations of metallic hose.</p>
14	III	<p>A pressure relief valve located on the exterior of the compressor building was designed to discharge flammable materials below the roof line and in a direction where personnel could be present.</p>	<p>Section 6.3.2.2 of API 521 (2007) “[S]tudies demonstrate the adequacy of the general industry practice of locating pressure-relief-valve stacks that discharge to the atmosphere at least 50 feet horizontally from any structures or equipment running to a higher elevation than the discharge point.”</p>
15	III	<p>The compressor building ventilation system has open roof vents above the compressors and operates with open louvers and open rollup doors during the summer months to dissipate heat and provide ventilation. During the winter months, the doors and louvers are closed to prevent heat loss. The Facility does not have a ventilation design study or</p>	<p>Section 6.3.2.1 API RP-500 (1997) “Adequate Ventilation is defined as ventilation (natural or artificial) that is sufficient enough to prevent accumulation of significant quantities of vapor-air or gas-air mixtures in concentration above 25 percent of their lower flammable (explosive) limit, LFL (LEL). Refer to NFPA 30 for additional details”.</p> <p>Section 17.11 Ventilation NFPA 30 (2018) “Enclosed processing areas handling or using Class I liquids, or Class II or Class III liquids heated to temperatures at or above their flash points, shall be ventilated at a rate</p>

		<p>calculations to determine whether during winter months, the closed louvers and passive roof vents will provide adequate ventilation for heat removal and air exchange if a leak of flammable materials occurs.</p>	<p>sufficient to maintain the concentration of vapors within the area at or below 25 percent of the lower flammable limit (LFL). Compliance with 17.11.2 through 17.11.10 shall be deemed as meeting the requirements of this section”</p> <p>Section 17.11.2 Ventilation NFPA 30 (2018) “Ventilation requirements shall be confirmed by one of the following: (1) Calculations based on the anticipated fugitive emissions <i>(see Annex F for calculation method).</i> (2) Sampling of the actual vapor concentration under normal operating conditions. Sampling shall be conducted at a 5 ft (1.5 m) radius from each potential vapor source extending to or toward the bottom and the top of the enclosed processing area. The vapor concentration used to determine the required ventilation rate shall be the highest measured concentration during the sampling”</p>
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**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
Philadelphia, Pennsylvania 19103**

IN THE MATTER OF	:	
	:	
STONEHAVEN ENERGY MANAGEMENT COMPANY LLC	:	NOTICE OF VIOLATION AND ADMINISTRATIVE ORDER
1251 Waterfront Place, Suite 540	:	
Pittsburgh, PA 15222,	:	U.S. EPA Docket No. CAA-03-2023-0082DA
	:	
Respondent,	:	
	:	
8570 U.S. Route 322	:	
Cranberry, PA 16319,	:	
	:	
Facility.		

Proceeding under Section 113(a) of the
Clean Air Act, 42 U.S.C. § 7413(a)

CERTIFICATE OF SERVICE

I certify that the foregoing Notice of Violation and Administrative Order, was filed with the EPA Region III Hearing Clerk on the date that has been electronically stamped on the Administrative Order. I further certify that on the date set forth below, I caused to be served a true and correct copy of the foregoing Notice of Violation and Administrative Order to each of the following persons, in a manner specified below, at the following address:

Served via email to:

Jeremy Graham
Director of Operations
Stonehaven Energy Management Company LLC
1251 Waterfront Place, Suite 540
Pittsburgh, PA 15222
jgraham@hydrocarbonfarms.com

With copies served via email to:

Jefferie E. Garcia
Senior Assistant Regional Counsel
USEPA Region III
garcia.jefferie@epa.gov
215-814-2697

Date: _____

[Electronic Signature and Date]

Bevin Esposito

U.S. Environmental Protection Agency, Region III