

**STATE OF NEW MEXICO
ENVIRONMENT DEPARTMENT**

**ENVIRONMENTAL PROTECTION DIVISION
OF THE NEW MEXICO ENVIRONMENT DEPARTMENT,
Complainant,**

NO. AQB MID-1109-1201(NOV)

**MID-AMERICA PIPELINE COMPANY, LLC,
Respondent.**

SETTLEMENT AGREEMENT AND STIPULATED FINAL COMPLIANCE ORDER

This Settlement Agreement and Stipulated Final Compliance Order (“Final Order”) is entered into between the Environmental Protection Division (“Division”) of the New Mexico Environment Department (the “Department”) and the Respondent, Mid-America Pipeline Company, LLC (“Respondent”) (collectively, the “Parties”) to resolve alleged statutory, regulatory, and permit violations by the Respondent. The Department alleges a violation of the New Mexico Air Quality Control Act (“AQCA”), NMSA 1978, § 74-2-1 to 74-2-17; the Air Quality Control Regulations (“AQCR”), 20.2. NMAC (“Regulations”), and Air Quality Permit Number P202-R2 (“Permit”)

I. BACKGROUND

A. PARTIES

1. The Department is an agency of the executive branch of the State of New Mexico, created pursuant to NMSA 1978, § 9-7A-4. The Division is an organizational unit of the Department. The Secretary of the Department has delegated to the Director of the Division the authority to seek administrative enforcement of the AQCA and the AQCR, including assessing

civil penalties for violations thereof. NMSA 1978, § 74-2-12. The Air Quality Bureau (“Bureau”) is an organizational unit of the Division.

2. The Respondent is a foreign limited liability company doing business in New Mexico at the San Luis Pump Station Facility (“Facility”). The Facility is oil and gas compressor station, and is located in Sandoval County, New Mexico.

B. HISTORY AND ALLEGED VIOLATION

3. Title V Permit P202-R2, Condition A205.D states in relevant part, ““Initial Compliance Testing Units 1.A. and 1.B...Testing: An initial compliance test is required on Units 1.A. and 1.B for NOx and CO according to the testing requirements listed in Sections B111.A and B111.C...For Unit 1.A, these tests shall be conducted within sixty (60) days after the unit achieves the maximum normal production following permit P202-R2 issue date. If the maximum normal production rate does not occur within one hundred twenty (120) days of P202-R2 issuance, then the tests must be conducted no later than one hundred eighty (180) days following the P202-R2 issuance.

4. On February 27, 2012, a Full Compliance Evaluation (FCE) was conducted on the Facility. During the FCE, Bureau personnel noted that there were no records of an initial compliance test conducted for emission Unit 1A. The test was due to be conducted no later than September 20, 2012, which is 180 days after issuance of the permit on March 24, 2011.

5. On May 15, 2012, the Bureau received test results for an initial compliance test conducted on emission Unit 1A on May 8, 2012.

6. On August 24, 2012, the Bureau issued to Respondent Notice of Violation MID-1109-1201 (“NOV”), alleging a violation of the AQCA, the AQCR, and the Permit. The alleged violation was 1) Failure to conduct an initial compliance test within 180 days of permit issuance.

7. The NOV included a Corrective Action Verification (“CAV”) requiring Respondent to submit to the Bureau measures taken to ensure future compliance with the permit conditions.

8. On September 24, 2012, the Bureau received the CAV from Respondent. The CAV was determined to be satisfactory by the Bureau on September 26, 2012.

9. On October 11, 2012, the Bureau issued to Respondent a proposal of a civil penalty for the alleged violation at the Facility.

10. On December 5, 2012, and December 7, 2012, Respondent provided additional information to the Bureau demonstrating that Unit 1A was operated six days during the time period between when the initial compliance test was due to be conducted on September 20, 2012, and when the test was conducted on May 8, 2012.

11. On January 3, 2012, the Bureau issued to Respondent a revised proposal of a civil penalty for the alleged violation at the Facility.

12. The Parties have engaged in settlement discussions to resolve the NOV without further proceedings.

II. COMPROMISE AND SETTLEMENT OF NOTICE OF VIOLATION

A. GENERAL

13. Respondent does not admit any of the allegations in the NOV. To avoid further legal proceedings, the Division and Respondent agree to terms and conditions in this Final Order to resolve the alleged violation in the NOV.

14. The Parties admit jurisdiction and consent to the relief specified herein.

B. CIVIL PENALTY

15. In compromise and settlement of the alleged violation set forth in the NOV and upon consideration of the seriousness of the violation and good faith efforts to comply, the Parties

agree that Respondent shall pay a civil penalty of \$22,054.00 to the State of New Mexico within 30 calendar days after the effective date of this Final Order.

16. Payment shall be made to the *State of New Mexico General Fund* by certified or corporate check and sent to the following address:

New Mexico Environment Department
Air Quality Bureau
c/o Compliance and Enforcement Manager
1301 Siler Rd., Building B
Santa Fe, New Mexico 87507-3113

17. If Respondent fails to make timely and complete payment of the civil penalty, Respondent shall pay interest on the outstanding balance at the rate established for judgments and decrees under NMSA 1978, § 56-8-4.

III. OTHER TERMS AND CONDITIONS

A. RESERVATION OF RIGHTS AND DEFENSES

18. This Final Order shall not be construed to prohibit or limit in any way the Department from requiring Respondent to comply with any applicable state or federal requirement. This Final Order shall not be construed to prohibit or limit in any way the Department from seeking any relief authorized by the AQCA for violation of any state or federal requirement applicable to Respondent not resolved herein. This Final Order shall not be construed to prohibit or limit in any way Respondent from raising any defense to a Department action seeking such relief.

B. MUTUAL RELEASE

19. The Parties mutually release each other from all claims that each party raised or could have raised against the other regarding the facts and violation alleged in the NOV. Such release applies only to civil liability.

C. WAIVER OF STATE LIABILITY

20. Respondent shall assume all costs and liabilities incurred in performing all obligations under this Final Order. The Department, on its own behalf and on behalf of the State of New Mexico, does not assume any liability for Respondent's performance of any obligation under this Final Order.

C. EFFECTIVE DATE AND TERMINATION DATES

21. This Final Order shall become effective on the date it has been signed by the Department Secretary.

22. Except as otherwise provided in this Paragraph, the terms of this Final Order shall terminate when Respondent has fulfilled the requirements of this Final Order. The reservations of rights and defenses and the mutual release in Paragraphs 18 and 19 shall not terminate, and shall remain in effect as an agreement between the Parties.

E. INTEGRATION

23. This Final Order merges all prior written and oral communications between the Parties concerning the subject matter of this Final Order, contains the entire agreement between the Parties, and shall not be modified without the express written agreement of the Parties.

F. BINDING EFFECT

24. This Final Order shall be binding on the Parties and their officers, directors, employees, agents, subsidiaries, successors, assigns, trustees, or receivers.

G. AUTHORITY OF SIGNATORIES

25. The persons executing this Final Order on behalf of Respondent and Complainant, respectively, represent that he or she has the authority to execute this Final Order on behalf of Respondent and Complainant.

**ENVIRONMENTAL PROTECTION DIVISION
NEW MEXICO ENVIRONMENT DEPARTMENT**

By: 
MARY ROSE
ACTING DIRECTOR

Date: 2/7/13

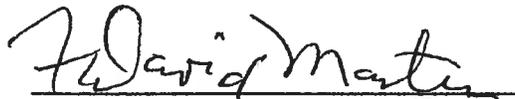
MID-AMERICA PIPELINE, LLC

By: 
Print Name: MATT MARA
Print Title: SR. Director, Env.

Date: 2/4/13

STIPULATED FINAL COMPLIANCE ORDER

This Settlement Agreement and Stipulated Final Compliance Order, agreed to by the Division and the Respondent MID-AMERICA PIPELINE, LLC, is hereby incorporated herein and **APPROVED AS A FINAL COMPLIANCE ORDER** issued pursuant to NMSA 1978, §74-2-12.


F. DAVID MARTIN
SECRETARY OF ENVIRONMENT

Date: 2-14-13

Notice of Violation Penalty Payment Tracking Coversheet

Enforcement	Existing AI No.: 1109	Initials/Date: SKS 2/15/13
	Company Name: Mid-America Pipeline Company, LLC	
	NOV Number: MID-1109-1201	
	Graybar Number: ENF20120001	
	Document Title: Invoice	
	Civil Penalty Fee: \$22,054.00	
Number of Payments: <u> 1 </u> Due: 2/14/13		
Admin Staff	Penalty Fee Invoice ID: 106471	Initials/Date: JC 2/15/13
	Return Invoice & Tracking Sheet to Compliance Staff:	
Enforcement	Penalty Fee Invoice Date: 2/15/13 <i>Set</i>	Initials/Date: SKS 2/15/13 <i>2/15/13</i> <i>[Signature]</i>
	Tracking Sheet to Financial Admin Staff: 2/15/13	
Financial	Date Stamp Tracking Coversheet:	Date Stamp Here/Initials:
	Check Number:	
	Return Invoice, 1 Copy of Check & Tracking Sheet to Enf. Staff:	



ENTERPRISE PRODUCTS PARTNERS L.P.
ENTERPRISE PRODUCTS HOLDINGS LLC
(General Partner)

ENTERPRISE PRODUCTS OPERATING LLC

February 27, 2013

RECEIVED
MAR - 1 2013
Air Quality Bureau

Federal Express

New Mexico Environment Department
Air Quality Bureau
c/o compliance and Enforcement Manager
1301 Siler Road Bldg. B
Santa Fe, New Mexico 87507-3113

PAID
2/28/13

RE: **AQB MID-1109-1201 (NOV)**
Mid-America Pipeline Company LLC

Dear Sir:

Enclosed for your handling is a check in the amount of \$22,054.00 as payment of the civil penalty outlined in Section II, B. of the referenced order. A copy of the order is attached for your convenience.

Yours truly,

Shiver J. Nolan
Sr. Compliance Administrator

Enclosure

cc: Jim Lieb, Farmington
Don Anderson, Denver

 Enterprise Products™
 Mid-America Pipeline Company, LLC
 P.O. Box 4735
 Houston, Texas 77210

PAGE: 1 of 1
 DATE: February 22, 2013
 TRACE NUMBER: 29676400387997133558
 CHECK NUMBER: 133558



00021 CKS LA 13052 - 0000133558 NNNNNNNNNNN 0525100004006 X60981 C
 STATE OF NEW MEXICO
 ENVIRONMENTAL DEPARTMENT
 AIR QUALITY BUREAU
 1301 SILER RD
 SANTA FE NM 87507

RECEIVED
 MAR - 1 2013
 Air Quality Bureau

DATE	INVOICE NO	DESCRIPTION	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
02/19/13	2205400FEB13	SAN LUIS FINE	\$22,054.00	\$0.00	\$22,054.00
		TOTALS	\$22,054.00	\$0.00	\$22,054.00

AQB-MID-1109-1201

PLEASE DETACH BEFORE DEPOSITING CHECK

 Enterprise Products™
 Mid-America Pipeline Company, LLC
 P.O. Box 4735
 Houston, Texas 77210

CHECK NUMBER 133558
 February 22, 2013
 *** VOID AFTER 180 DAYS ***

56-1544
 441

PAY TO THE ORDER OF: STATE OF NEW MEXICO
 ENVIRONMENTAL DEPARTMENT
 AIR QUALITY BUREAU
 1301 SILER RD
 SANTA FE, NM 87507

CHECK AMOUNT
\$22,054.00

EXACTLY *****22,054 DOLLARS AND 00 CENTS

PMORGAN CHASE BANK, N A
 COLUMBUS, OH



W. Rand. McCaughy

AUTHORIZED SIGNATURE

⑈ 133558⑈ ⑆044115443⑆

636102261⑈