

STATE OF NEW MEXICO
ENVIRONMENT DEPARTMENT



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

NO. AQB WIL-1221-1101-R1 (NOV)

WILLIAMS FOUR CORNERS 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, Williams Four Corners LLC (“Respondent”) (collectively, the “Parties”) to resolve alleged statutory, regulatory, and permit violations by the Respondent. The Department alleges violations 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 P195-R1-M1 (“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 limited liability company doing business in New Mexico at the 32-7 CDP Compressor Station Facility (“Facility”). The Facility is compressor station, and is located in Rio Arriba County, New Mexico.

B. HISTORY AND ALLEGED VIOLATIONS

3. Permit Table 3.2 excerpt states in relevant part:

Maximum Allowable Emission Rates in lb/hr*	
Emission Unit No.	VOC lb/hr
10a	0.4
24a	0.8

* Pounds per hour

4. On January 23, 2012 the Bureau received a Final Excess Emission Report (“EER”) from Respondent for the Facility. The EER stated that Units 10a and 24a, which are Glycol Dehy Still Vent/Flash Tanks, exceeded the VOC pounds per hour limit established by Permit Table 3.2. On February 8, 2012, Respondent emailed the Bureau updated excess emissions calculations for the Units, as set forth in the table below. The exceedances started on May 27, 2010 and ended June 11, 2010, the date the units were shutdown.

Emission Unit No.	Emission Limit VOC lb/hr	Total Emissions VOC lb/hr	Duration of Event hours	Excess Emissions VOC pounds
10a	0.4	1.81	360	508
24a	0.8	3.27	360	889
			TOTAL	1,397

5. 20.2.7.110.A. NMAC states in relevant part: "NOTIFICATION. A. The owner or operator of a source having an excess emission shall report the following information to the department on forms provided by the department...(1) Initial report: the owner or operator shall file an initial report, no later than the end of the next regular business day after the time of discovery of an excess emission...."

6. On January 23, 2012 the Bureau received an EER from Respondent for the Facility. The EER stated that Units 10a and 24a exceeded the VOC pounds per hour limit established by Permit Table 3.2. The exceedances started on May 27, 2010 and ended June 11, 2010, the date the units were shutdown. In accordance with 20.2.7.110.A.(1) NMAC, an initial report is required to be filed no later than the end of the next regular business day after the time of discovery of an excess emission. Review of Bureau files revealed that no initial reports for Units 10a and 24a were ever submitted. 20.2.7.110.A. states in relevant part: "NOTIFICATION. A. The owner or operator of a source having an excess emission shall report the following information to the department on forms provided by the department...(2) Final report: the owner or operator shall file a final report that contains specific and detailed information for each item in Subsection B of 20.2.7.110 NMAC, no later than ten (10) days after the end of the excess emission..."

7. On January 23, 2012 the Bureau received an EER from Respondent for the Facility. The EER stated that Units 10a, 11a, 12a, and 24a, which are Glycol Dehy Still Vent/Flash Tanks, exceeded the VOC pounds per hour limits established by Permit Table 3.2. The exceedances started on May 27, 2010 and ended June 11, 2010, the date the units were shutdown. In accordance with 20.2.7.110.A.(2) NMAC, a final report is required to be filed no later than ten (10) days after the end of the excess emission. Therefore, a final report was

required to be submitted for the events by June 21, 2010, 10 days after the end of the events. The final report was not submitted until January 23, 2012.

8. On May 23, 2012, the Bureau issued to Respondent Notice of Violation WIL-1221-1101 ("NOV"), alleging violations of the AQCA, the AQCR, and the Permit. The alleged violations were 1) exceedance of VOC limits; 2) failure to submit an initial excess emission report; and 3) failure to submit final excess emission reports in a timely manner.

9. 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.

10. On June 28, 2012, the Bureau received the CAV from Respondent. The CAV was determined to be satisfactory by the Bureau on June 28, 2012. On August 16, 2012, the Bureau issued to Respondent Revised Notice of Violation WIL-1221-1101-R1 ("Revised NOV"), which adjusted the number of units on Violations 1 and 3 and revised the description of Violation 2.

11. On December 14, 2012, the Bureau issued to Respondent a proposal of a civil penalty for the alleged violations at the Facility.

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

II. COMPROMISE AND SETTLEMENT OF NOTICE OF VIOLATIONS

A. GENERAL

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

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

B. CIVIL PENALTY

15. In compromise and settlement of the alleged violations set forth in the Revised NOV and upon consideration of the seriousness of the violations and good faith efforts to comply, the Parties agree that Respondent shall pay a civil penalty of \$15,000.00 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 violations alleged in the Revised 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.

D. 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 19 and 20 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
MARY ROSE
ACTING DIRECTOR

Date: 2/6/13

WILLIAMS FOUR CORNERS LLC

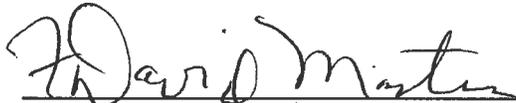
By: Don Wicburg
DON WICBURG
GENERAL MANAGER

Date: 1/30/2013



STIPULATED FINAL COMPLIANCE ORDER

This Settlement Agreement and Stipulated Final Compliance Order, agreed to by the Division and the Respondent Williams Four Corners 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