

**STATE OF NEW MEXICO
SECRETARY OF ENVIRONMENT**

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

NO. AQB WIL-1002-1301-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, Sections 74-2-1 to 74-2-17; the Air Quality Control Regulations (“AQCR”), 20.2. NMAC (“Regulations”), and Air Quality Permit Number P046-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. Respondent is a limited liability company doing business in New Mexico at the El Cedro Gas Treating Plant (“Facility”), located in Rio Arriba County, New Mexico. The function of the Facility is to remove CO₂ from a portion of the incoming natural gas using an amine treating system, to dehydrate portions of the incoming natural gas, and to compress the processed natural gas for pipeline transmission using compressors driven by natural gas-fired turbines and reciprocating internal combustion engines.

B. HISTORY AND ALLEGED VIOLATIONS

3. Facility Specific Requirement A106 of the Permit provides in relevant part, “A. The following table(s) list the emission units, and their allowable emission limits” An excerpt from Table 106.A with relevant information is set forth below.

| Unit No. | NO _x pounds per hour |
|----------|------------------------------------|
| 15 | 13.5 |
| 17 | 2.6 |

4. On November 21, 2013, the Bureau received two Final Excess Emission Reports (EERs) from Respondent. The Final EERs included emission calculations for Unit 15, a turbine, and Unit 17, a generator, that occurred during periodic tests conducted on November 4 and 5, 2013, respectively. The calculations demonstrated that Unit 15 and Unit 17 exceeded the allowable emission limits for NO_x.

5. Facility Specific Requirement A106.D of the Permit provides in relevant part, “Best Available Control Technology (BACT) emission limits for the Solar T-12000 turbines (Units 15 and 16) shall not exceed 42 ppmv for NO_x ... referenced to 15% oxygen on a dry basis.”

6. On February 28, 2014, the Bureau received a Periodic Testing Report (“Report I”) from Respondent pertaining to a periodic test conducted on November 4, 2013. Report I stated that Unit 15, a turbine, had exceeded the allowable BACT emission limit.

7. Facility Specific Requirement A106.F of the Permit provides in relevant part, “BACT emission limits for the Waukesha 7042G engines (Units 17 and 18) shall not exceed 1.1 g/hp-hr for NO_x, 2.0 g/hp-hr for CO ...”

8. On February 28, 2014, the Bureau received a Periodic Testing Report (Report II) from Respondent pertaining to a periodic test conducted on November 5, 2013. The report stated that Unit 17 had exceeded the allowable BACT emission limit for NO_x.

9. On March 7, 2014, the Bureau received two Final EERs from Respondent. The Final EERs included emission calculations for Unit 17 and Unit 18 that occurred during periodic tests conducted on September 4 and 5, 2013, respectively. The calculations demonstrated that Unit 17 exceeded the allowable BACT emission limits for NO_x and that Unit 18 exceeded the allowable BACT emission limits for NO_x and CO.

10. 20.2.7.110 NMAC provides 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. The department may authorize the submittal of such reports in electronic format ... (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 ...”

11. On November 11, 2013 and February 27, 2014, the Bureau received Initial EERs from Respondent concerning four events that occurred at the Facility. None of the four Initial EERs was submitted by the end of the next regular business day after the discovery of the excess emission event.

12. 20.2.7.110 NMAC provides 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. The department may authorize the submittal of such reports in electronic format ... (2) Final report: the owner or operator shall file a final report ... no later than ten (10) days after the end of the excess emission.”

13. On November 21, 2013 and March 7, 2014, the Bureau received Final EERs from Respondent concerning two events that occurred at the Facility. Neither of the two Final EERs was submitted within ten (10) days after the end of the excess emission.

14. On November 7, 2014, the Bureau issued to Respondent Notice of Violation WIL-1002-1301 (“NOV”), alleging violations of the AQCA, the AQCR, and the Permit. The alleged violations consisted of: 1) the failure to limit emissions from Unit 15 and Unit 17 to the allowable NO_x pounds per hour rate, which is a violation of Facility Specific Requirement A106.A of the Permit; 2) the failure to limit emissions from Unit 15 to the allowable BACT parts per million volume for NO_x, which is a violation of Facility Specific Requirement A106.D of the Permit; 3) the failure to limit emissions from Unit 17 and Unit 18 to the allowable BACT grams per horse power hour limits, which is a violation of Facility Specific Requirement A106.F of the Permit; 4) the failure to file initial excess emission reports no later than the end of the next regular business day after the time of discovery, which is a violation of 20.2.7.110.A(1) NMAC; and 5) the failure

to file final excess emission reports no later than ten (10) days after the end of the excess emission, which is a violation of 20.2.7.110.A(2) NMAC.

15. 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.

16. On December 19, 2014, the Bureau received the CAV from Respondent. The CAV was determined to be satisfactory by the Bureau on December 26, 2014.

17. Based on information contained in the CAV, the Bureau issued Revised Notice of Violation WIL-1002-1301-R1 (“Revised NOV”) on May 1, 2015. The revisions consisted of correcting the number of claims in the NOV and the duration of an excess emission event.

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

II. COMPROMISE AND SETTLEMENT

A. GENERAL

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

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

B. CIVIL PENALTY

21. In compromise and settlement of the alleged violations set forth in the Revised NOV and upon consideration of the seriousness of the alleged violations and Respondent’s good faith efforts to comply, the Parties agree that Respondent shall pay a civil penalty of \$30,111.00 to the State of New Mexico within 30 calendar days after the effective date of this Final Order.

22. 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
525 Camino de los Marquez, Suite 1
Santa Fe, New Mexico 87505

23. If Respondent fails to make timely and complete payment of the civil penalty, Respondent shall pay a stipulated penalty of \$250.00 per day for each day a payment is not timely or complete. Respondent shall not contest or dispute in any way the stipulated penalty of \$250.00 per day in the event that the Department brings an action against Respondent for the failure to make timely or complete payment.

III. OTHER TERMS AND CONDITIONS

A. RESERVATION OF RIGHTS AND DEFENSES

24. 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 not resolved herein. 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

25. 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

26. 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

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

28. 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 24 and 25 shall survive the execution and performance of this Final Order, and shall remain in full force and effect as an agreement between the Parties.

E. INTEGRATION

29. 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

30. 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

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

H. SIGNATURE AND COUNTERPARTS


32. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

**ENVIRONMENTAL PROTECTION DIVISION
NEW MEXICO ENVIRONMENT DEPARTMENT**

for By: 
MICHAEL VONDERHEIDE
DIRECTOR

Date: 22 July 2015

WILLIAMS FOUR CORNERS LLC

By: 
Print Name: Glen G. Jasek
Print Title: Vice President & General Manager
Four Corners Area - West

Date: 7/20/15



STIPULATED FINAL COMPLIANCE ORDER

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



**RYAN FLYNN
SECRETARY
ENVIRONMENT DEPARTMENT**

Date: _____

7/24/15