

**STATE OF NEW MEXICO  
SECRETARY OF ENVIRONMENT**

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

**NO. AQB ETC-30070-1801 (NOV)**

**ENERGY TRANSFER COMPANY FIELD SERVICES, LLC,  
Respondent.**

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**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, Energy Transfer Company Field Services, 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 4368M2R3 ("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 company doing business in New Mexico at the Avalon Compressor Station ("Facility"), located in Eddy County, New Mexico. The Facility is a natural gas compressor station.

#### **B. HISTORY AND ALLEGED VIOLATIONS**

3. Permit Condition, Facility: Allowable Startup, Shutdown, and Maintenance ("SSM") and Malfunction Emissions A107.A, states in relevant part; "The maximum allowable SSM emission limits for this Facility are listed in Table 107.A and were relied upon by the Department to determine compliance with applicable regulations."

4. Between January 1, 2018 and April 30, 2018, the Bureau received one (1) Final Excess Emission Reports ("EERs") from Energy Transfer Company Field Services (ETC) for the Avalon Compressor Station. Although the excess emission event was listed as an emergency event and considered "fugitive" emissions, no affirmative defense was submitted. ETC compared the excess emission to Table A107 limits. For this facility, there are no permitted fugitive emission limits. Excess emissions included volatile organic compounds. A total of 86,436.28 pounds of excess emissions were reported in the 1 EER.

5. On May 29, 2018, the Bureau issued to the Respondent Notice of Violation ETC-30070-1801 ("NOV"), alleging violations of the AQCA, the AQCR, and the Permit. The alleged violation consisted of failure to maintain emissions below permitted emissions, which is a violation of Permit Condition A107.

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

7. On June 29, 2018, the Bureau received the CAV from the Respondent. The CAV was determined to be satisfactory by the Bureau on July 6, 2018.

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

## **II. COMPROMISE AND SETTLEMENT**

### **A. GENERAL**

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

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

### **B. CIVIL PENALTY**

11. In compromise and settlement of the alleged violations set forth in the NOV and upon consideration of the seriousness of the alleged violations and Respondent's good faith efforts to comply, the Parties agree that the 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.

12. 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

**D. EFFECTIVE DATE AND TERMINATION DATES**

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

18. Except as otherwise provided in this Paragraph, the terms of this Final Order shall terminate when the Respondent has fulfilled the requirements of this Final Order. The reservations of rights and defenses and the mutual release in Paragraphs 14 and 15 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**

19. 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**

20. 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**

21. 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**


22. 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**

By:   
**ELIZABETH BISBEY-KUEHN**  
**BUREAU CHIEF**  
**AIR QUALITY BUREAU**

Date: 12/10/18

**ENERGY TRANSFER COMPANY FIELD SERVICES, LLC**

By:   
Print Name: Clint Green  
Print Title: UP-OPS

Date: 12/7/2018

**STIPULATED FINAL COMPLIANCE ORDER**

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

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**BUTCH TONGATE**  
**SECRETARY**  
**ENVIRONMENT DEPARTMENT**

Date: 12/12/18