



MICHELLE LUJAN GRISHAM
GOVERNOR

JAMES C. KENNEY
CABINET SECRETARY

SENT BY ELECTRONIC MAIL AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

11/22/2024

Jillian Yamartino
108 Beckham Rd
Jal, NM 88252
Sent by electronic mail to: jyamartino@nwmidstream.com

Notice of Violation for Northwind Midstream Partners, LLC, NOR-38342-2401

Dear Ms. Yamartino,

The New Mexico Environment Department ("NMED") has identified Northwind Midstream Partners, LLC ("Northwind") as having violated state and federal regulations for air quality. This Notice of Violation (NOV) is regarding the Titan Treater Plant No. 1 ("Facility") owned by Northwind. The Facility is located 7.8 mi SW of Jal, NM at latitude 32.025581 and longitude -103.276567 and referred to as Agency Interest (AI) #38342 and Aerometric Information Retrieval System (AIRS) #350251395 in NMED records.

Pursuant to the NMED Delegation Order dated February 19, 2024, the Cabinet Secretary ("Secretary") has delegated to the Air Quality Bureau ("Bureau") Chief the authority to seek administrative enforcement for alleged violations of the Act, the Air Quality Control Regulations ("Regulations"), and the air quality permits issued thereunder. The Air Quality Bureau is the Bureau within the Division responsible for identifying air quality violations.

This NOV is issued pursuant to NMSA 1978, Section 74-2-5.1(A), which states that NMED's "investigations shall be reduced to writing if any enforcement action is contemplated, and a copy shall be furnished to the owner or occupants of the premises before the action is filed." In accordance with Section 74-2-5.1(C), the purpose of this NOV is to "encourage and make every reasonable effort to obtain voluntary cooperation by the owner or occupants to preserve, restore or improve air quality."

Alleged Violation

On September 10, 2024, Northwind submitted via email an Enforcement Discretion (ED) request for Titan Treater Plant No. 1 (See Attachment A). In the ED request, Northwind acknowledged beginning construction on a site modification prior to the issuance of a permit revision. On September 11, 2024, NMED granted the facility an ED. In an email on September 12, 2024, a Senior Vice President and General Counsel of Northwind stated the unpermitted construction began on April 9, 2024.

The investigation found evidence of the following alleged violation of the New Mexico Administrative Code (NMAC):

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- 1. Failure to obtain a permit prior to commencing construction of a site modification pursuant to 20.2.72.200.E NMAC.** NMED alleges the Facility was in violation of 20.2.72.200.E NMAC from the beginning of construction on April 9, 2024, until the ED was granted on September 11, 2024.

Please note that the Facility will appear on NMED's Enforcement Watch as a result of this NOV (see: <https://www.env.nm.gov/enforcement-watch/>). Further, NMED may issue a press release to local media highlighting your facility as appearing on this webpage. Your facility will remain on the Enforcement Watch website as an active matter until this matter is fully resolved, including the payment of the assessed civil penalty.

You may obtain a copy of the Bureau's Civil Penalty Policy located on the Compliance and Enforcement website at: <https://www.env.nm.gov/air-quality/compliance-and-enforcement/>.

Requested Information

In the response to this NOV please provide this information for the violation:

1. A description of the cause of this violation;
2. Documentation of the steps taken to correct the violation to date; and
3. Documentation of steps taken or to be taken to prevent the recurrence of the violation.

With the documentation, please include specific, measurable, and time-bound changes made or to be made addressing any problems causing the violations. Attachment B is included at the end of the NOV and can be used as a checklist for organizing the response.

Use these instructions to submit the response:

1. All correspondence pertaining to this NOV must be submitted under cover of a properly completed Reporting Submittal Form, emailed to the Enforcement Specialist (contact information below). A copy of the form can be found online at: <https://www.env.nm.gov/air-quality/compliance-and-enforcement/>
2. Submit requested information no later than thirty (30) days after the date of this NOV.
3. Any documents claimed as Confidential Business Information (CBI) pursuant to 20.2.1.115 NMAC must be submitted in separate electronic files from non-CBI documents and identified as CBI.
4. If files cannot be submitted by electronic mail, contact the Enforcement Specialist to request a link to a file transfer platform, or submit records on a thumb drive mailed to the Air Quality Bureau, 525 Camino de los Marquez, Suite 1, Santa Fe, NM 87505 to the attention of Charles Butler.
5. Please include any facts, information, or documentation to refute the alleged violations, with the requested information.

After receiving the response to this NOV, NMED may send a settlement offer or compliance order outlining the penalties and corrective actions associated with each of the violations. As NMED's review of the alleged violations is ongoing, NMED reserves the right to assert additional violations at the Facility if new information becomes available.

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If you have questions or believe any statement in this notice is erroneous, please contact Charles Butler, Enforcement Specialist, at (505) 660-6110 or charles.butler@env.nm.gov, or Brian Polgar, Acting Compliance and Enforcement Section Chief, at (505) 629-3466 or brian.polgar@env.nm.gov. If you are represented by counsel, please contact Kelly Villanueva, Assistant General Counsel, at (505) 795-4383 or kelly.villanueva@env.nm.gov.

Thank you for your prompt attention to this matter.

Sincerely,

DocuSigned by:

8C5B75B327A8482...
Cindy Hollenberg
Air Quality Bureau Chief

cc: Kelly Villanueva, OGC
Brian Polgar, AQB
Charles Butler, AQB

Attachments

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Attachment A
Enforcement Discretion Request

The next four attached pages are the signed Enforcement Discretion form for the Titan Treater 1 Plant No. 1.



New Mexico Environment Department
Air Quality Bureau
Compliance and Enforcement Section
525 Camino de los Marquez, Suite 1
Santa Fe, NM 87505
Phone (505) 476-4300
Fax (505) 476-4375



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ENFORCEMENT DISCRETION REQUEST APPLICATION

SECTION I - GENERAL COMPANY AND FACILITY INFORMATION					
® Company Name: Northwind Midstream Partners LLC			® Facility Name: Titan Treater Plant No. 1		
® Company Address: 811 Louisiana St., Suite 2500			® Facility Address: 108 Beckham Rd		
® City: Houston	® State: TX	® Zip: 77002	® City: Jal	® State: NM	® Zip: 88252
® AI Number: 38342	Title V Permit Number:	Title V Permit Issue Date:	NSR Permit Number: 7747M5	NSR Permit Issue Date: 07/03/2024	

SECTION II - CONTACT INFORMATION FOR THIS SUBMITTAL		
Name: Jillian Yamartino	Title: Environmental - Air Manager	Office Phone Number: (346) 613-1471
Cell Phone Number: (207) 745-0783	Fax Number:	Email Address: jyamartino@nwmidstream.com

SECTION III - REASON(S) FOR REQUEST			
A.1 Please indicate below whether or not this request is affected by a permit condition, regulatory citation or other issue:			
A.2 Permit Condition: <input checked="" type="checkbox"/>	Permit Number: 7747M5	Condition: B101(B)	
A.3 Regulatory Citation: <input checked="" type="checkbox"/>	Regulation: 20.2.72 NMAC	Sub-paragraph: 200.E	
A.4 Other: <input type="checkbox"/>	If Other, explain:		
A.5 Not Applicable (NA): <input type="checkbox"/>	If NA, explain:		
A.6. Please reproduce text (in its entirety) of permit condition or regulatory citation below (if applicable)::			
7747M5 B101(B): Any future physical changes, changes in the method of operation or changes in restricted area may constitute a modification as defined by 20.2.72 NMAC, Construction Permits. Unless the source or activity is exempt under 20.2.72.202 NMAC, no modification shall begin prior to issuance of a permit. (20.2.72 NMAC Sections 200.A.2 and E, and 210.B.4)			
20.2.72.200.E: For all sources subject to this part, applications for permits shall be filed prior to the commencement of the construction, modification or installation. Regardless of the anticipated commencement date, no construction, modification or installation shall begin prior to issuance of the permit.			
B. Emission unit(s) affected by request (if applicable):	Emission Unit Number:	CE-4, CE-5, CE-7, CE-8, CE-9, DHY-2, DHR-2, DHY-3, DHR-3, EC-1, VRU, AGFL, FUG, TK-3 through TK-6, AM-2, HOH-2, HOH-3, SOH-COMP1, SOH-COMP2	
B.1 Emission Unit Description:			
CE-4, CE-5, CE-7, CE-8, CE-9: Compressor engines DHY-2, DHY-3, DHR-2 and DHR-3: TEG dehydrators and associated reboilers EC-1: Enclosed Combustor VRU: Vapor Recovery Unit AGFL: Acid gas flare FUG: Fugitive Components TK-3 through TK-6: 1000bbl stabilized condensate tanks AM-2: Amine unit HOH-2 and HOH-3: Hot Oil Heaters SOH-COMP1 and SOH-COMP2: Electric stabilizer overhead compressors There will be no emissions from this equipment during construction.			

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C.	Explain the nature of the request:
Northwind seeks enforcement discretion to resume and complete construction under the significant revision to air permit 7747M5 pending its issuance, which is expected on or before November 4, 2024.	
D.	Explain the reason for the request:
Northwind began construction prior to the issuance of the NSR permit application No. 7747M6 for the proposed changes. A senior officer of the Company with a lack of experience and understanding of the permitting process in New Mexico made the decision to start the unpermitted construction and did not share it with the other members of the executive team, including the CEO and General Counsel. The senior officer has been placed on leave pending further investigation. The CEO of Northwind became aware on August 22, 2024 that construction of unpermitted equipment was underway and in response the Company immediately self reported the violation to NMED on August 23, 2024 and initiated a plan to shut down unpermitted construction activities.	
E.	Will the period of enforcement discretion be resolved by the issuance of a new permit? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
E.1	If YES, explain why you will not wait until the new permit is issued:
<p>The safe and prudent shut down of construction is a complex process that is estimated by the construction contractor to take 4 to 6 weeks to complete. In some instances, it will be safer and quicker to finish construction of a piece of equipment than to leave it in place. Shutting down construction will also require demobilization of 300+ personnel. It is uncertain that Northwind will be able to remobilize these personnel without significant delays once the permit amendment is issued. We estimate that it will take 4 to 6 weeks to mobilize and restart construction. As a result, avoiding a complete shutdown of construction is expected to save approximately 90-days of shutdown and remobilization time. Consequently, allowing completion of construction prior to permit issuance will allow the expanded Titan Treater Plant No. 1 (the "Titan Facility") to operate approximately 90-days sooner following permit issuance and thereby achieve a quicker reduction of overall emissions in New Mexico.</p> <p>The Titan Facility is designed specifically to treat, remove, and sequester carbon dioxide, hydrogen sulfide, and other impurities from the natural gas production stream. The Titan Facility is expected to result in a net decrease in overall emissions through two key initiatives: First, many oil and gas producers, including several of Northwind's customers, are forced to flare their natural gas production principally due to system interruptions and a lack of sufficient treating capacity. In total, Northwind's customers' contracted properties have historically represented approximately 15% of state-wide natural gas flaring. The introduction of the expanded Titan Facility's treating capacity is expected to immediately reduce producer flaring and provide critical treating capacity. Second, carbon dioxide is typically produced in material quantities and entrained with natural gas throughout Lea County, New Mexico. Traditional energy companies have and are currently treating and then venting the associated carbon dioxide into the atmosphere. The Titan Facility is designed specifically to treat, remove, and then sequester this carbon dioxide. Northwind estimates that the Titan Facility will immediately result in an emissions reduction by capturing and sequestering carbon dioxide that is currently being vented today.</p> <p>Assuming an accelerated construction timeline through approval of the Enforcement Discretion, the expected net reduction in emissions for a 90-day acceleration of placing the expanded facility online would be approximately 30,000 tons of CO₂, 165 tons of CH₄, 30 tons of VOCs, 29 tons of NO_x, 68 tons of CO, and 34 tons of SO₂. These emissions reductions would be achieved by (1) reducing flaring by Northwind customers who are awaiting sour gas treatment capacity and (2) capturing and sequestering CO₂ that would otherwise be vented in the field. These calculations (i) specifically exclude emissions from existing permitted equipment, (ii) are based on achieving an in-service date of the expanded Titan Facility 90-days sooner following permit issuance, and (iii) are based on the historical flaring records of Northwind's customers from OCD C-115 monthly reporting for 2023 and Northwind's forecasted gas composition analyses. In addition, the gross emissions calculations for the Titan Facility are based on the plant's maximum potential to emit and actual emissions may be lower from the estimates presented, resulting in a higher net reduction in emissions for the facility. Please see attachment No. 1 included herewith for additional details on the emissions reduction impacts of the Titan Facility.</p>	
E.2	If NO, explain:

SECTION IV - PERMIT APPLICATION STATUS (if applicable)	
A.	Has an application been submitted to issue a new permit or modify your current permit? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
A.1.	If YES, indicate date (mm/dd/yyyy): 07/05/2024
B.	Has the application been ruled complete? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA
B.1	If YES, indicate date (mm/dd/yyyy): 08/06/2024
C.	Indicate type of permit action required (check one): <input type="checkbox"/> New <input checked="" type="checkbox"/> Significant Revision <input type="checkbox"/> Tech Revision <input type="checkbox"/> Admin Revision
C.1	Indicate the permit issuance due date (mm/dd/yyyy): 11/04/2024
D.	If application has not been submitted, indicate date when it will be submitted (mm/dd/yyyy):
E.	If application has not been submitted, estimate permit issuance due date based on projected application submittal date and permit action type required (mm/dd/yyyy).

SECTION V – DURATION OF REQUEST	
A.	For what length of time are you requesting this discretion (no. of days or deadline, mm/dd/yyyy)? 11/04/2024

SECTION VI - EMISSIONS INFORMATION	
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A.	Does this request involve the replacement (temporary or otherwise) of a currently permitted unit?							<input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> NA	
A.1	If YES, enter current and proposed emission rate details (as applicable) in the table below. Please attach documentation for proposed replacement unit emission rates. If NO, leave table blank:								
Emission Rate Information		NOx	CO	SO2	VOC	TSP	PM10	PM2.5	Other ¹
Existing Permitted Unit, lb/hr									
Proposed Replacement Unit, lb/hr									
B.	Are the emissions in the table above associated with an exhaust stack or a flare?							<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA	
B.1	If YES, enter the calculation results from the plume energy spreadsheet (if provided with this application) in the applicable fields in the table below. Attach the spreadsheet and documentation of the replacement unit stack dimensions and emissions parameters to your submittal. If NO, leave table blank:								
Plume Energy per Unit Mass:		NOx	CO	SO2	VOC	TSP	PM10	PM2.5	Other ¹
Existing Permitted Unit									
Proposed Replacement Unit									
NOTE 1 – If Other, please enter pollutant name in the text field provided.									
C.	If this request will result in emissions in excess of current permitted levels, explain how these emissions will be minimized to the maximum extent practicable during this period, otherwise, leave blank:								

SECTION VII. ADDITIONAL COMMENTS (if required)

Based on modeling conducted as part of the pending permit application, the proposed emissions will not exceed National Ambient Air Quality Standards (NAAQS), New Mexico Ambient Air Quality Standards, and PSD increments. We will continue to explore and implement all practical measures to minimize emissions.

SECTION VIII. ATTACHMENTS (if required, check all that apply):

1.	<input checked="" type="checkbox"/>	Description:	Titan Facility Emissions Reduction Impacts
2.	<input type="checkbox"/>	Description:	
3.	<input type="checkbox"/>	Description:	
4.	<input type="checkbox"/>	Description:	
5.	<input type="checkbox"/>	Description:	
6.	<input type="checkbox"/>	Description:	

SECTION IX - CERTIFICATION

After reasonable inquiry, I <u>Matt Spicer</u> certify that the information in this submittal is true, accurate and complete. (name of reporting official)			
® Signature of Reporting Official:	® Title:	® Date	Responsible Official for Title V?
<i>Matt Spicer</i>	CEO	9/10/24	<input type="checkbox"/> Yes <input type="checkbox"/> No

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NMED USE ONLY			
TEMPO GREY BAR NO.:		ENF20240001	FILE NAME: Titan Treater ED.pdf
A. Request is:	<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED <input checked="" type="checkbox"/> APPROVED WITH CONDITIONS (as stipulated below)		
B. This approval is subject to the following conditions (if applicable):	<ol style="list-style-type: none"> 1. This ED approval shall in no way limit Northwind's liability for the violation of beginning construction prior to issuance of a permit modification. This approval shall establish an end date for that violation and allow continued construction prior to issuance of the NSR permit revision 7747-M6. 2. This ED approval shall not limit future liability for other violations related to construction or operation. This ED approval shall also not limit liability for past violations other than beginning construction without an issued permit revision for the M6 revision. 3. No units included as new units in the NSR permit revision 7747-M6 shall operate until the revision is issued. 4. This ED approval only covers NSR Significant Revision 7747-M6. 5. Northwind assumes full responsibility should modeling for the revision not be approved. This ED approval shall not be used to justify further discretion should changes be required due to failed modeling. 6. Northwind shall provide via email the Compliance and Enforcement Section Chief with monthly updates on the status of the construction and any relevant updates from the AQB Permit Section. 7. If modeling does not pass, Northwind shall immediately notify the C&E Section Chief. This notification (or a separate notification within 1 week) shall include a plan for addressing the failed modeling. 8. AQB Permitting is anticipating that 7747-M6 will be issued November 4, 2024. Should Northwind be informed of any delay in this anticipated permit issuance date, the C&E Section Chief shall immediately be notified. 9. This ED approval shall expire on the day that the M6 revision is issued. 		
IF THIS REQUEST HAS BEEN APPROVED – The Department has relied upon the information provided in this application to approve this request. In the event that any of the information provided in this application is not accurate, and/or if the facility does not abide by the conditions imposed above (if any), this approval may be revoked.			
Processed by: Brian Polgar		Title: AQB C&E Section Chief	Date: September 11, 2024
		Phone No. 505-629-3466	Email Address brian.polgar@env.nm.gov
Name of Approving NMED Official: Same		Title:	Date
Signature of Approving NMED Official:		Phone No. 505-629-3466	Email Address brian.polgar@env.nm.gov

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Attachment B

This form must be completed and signed by the facility's Responsible Official (Title V) or other designee and returned no later than thirty (30) days after the date of this Notice of Violation. Documentation for additional information (in addition to this form) must be submitted electronically to Enforcement Specialist Charles Butler at charles.butler@env.nm.gov or Acting Compliance and Enforcement Section Chief Brian Polgar at brian.polgar@env.nm.gov.

All submittals must be submitted using the Reporting Submittal Form. The Reporting Submittal Form and instructions can be located at: <https://www.env.nm.gov/air-quality/compliance-and-enforcement/#>.

I hereby verify that Northwind Midstream Partners, LLC has initiated the required additional information response outlined in this Notice of Violation. The following information has been submitted or will be submitted by the dates indicated below for each violation. All required documentation will be submitted electronically no later than thirty (30) days after the date of this Notice of Violation.

Date NOV received: _____

Alleged Violation

_____ *A description of the cause of the violation*

_____ *Documentation of the steps taken to correct the violation to date*

_____ *Documentation of steps taken (or to be taken) to prevent recurrence of this violation (include date if not yet completed)*

Signature

Date

Printed Name:

Title: