



MICHELLE LUJAN GRISHAM
GOVERNOR

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CABINET SECRETARY

Air Quality Bureau
NOTICE OF VIOLATION

TRACKING NUMBER:	AMDV-Multi-2001	ICIS CASE NUMBER:	NM000A200188896
COMPANY NAME:	Ameredev II, LLC	FACILITY NAME(S):	Amen Corner, Azalea, Firethorn, Nandina, and Red Bud Central Tank Batteries
PERMIT(S):	GCP-6 #7835; and GCP-O&G #s 7601M1, 7836M1, 8189, and 7839M1	SOURCE CLASS:	TV (Amen Corner, Azalea, Nandina, and Red Bud) SM \geq 80 (Firethorn)
INSPECTION DATE:	December 30, 31, 2019	EARLIEST DISCOVERY:	October 25, 2019
SELF-REPORTED:	No	*NRV, FRV or HPV:	HPV
FACILITY LOCATION(S):	Various locations in Lea County, New Mexico	CONTACT PERSON:	Dayeed Khan (737) 300-4700
MAILING ADDRESS:	2901 Via Fortuna Suite 600 Austin, TX 78746	COUNTY:	Lea
AGENCY INTEREST ID(S):	38439 38183 38441 38838 38438	AQB AIRS NUMBER(S):	35-0251423 35-0251328 35-0251424 35-0251603 35-0251427

This Notice of Violation (NOV) is a written record of the Air Quality Bureau's finding that a violation of Air Quality Control Regulations or Air Quality Permit Conditions has occurred. A NOV is issued each time a violation is observed or discovered. This NOV may subject you to monetary penalties through administrative, civil, or criminal prosecution.

Each violation set forth in this NOV has been evaluated in accordance with the U.S Environmental Protection Agency's (EPA) Guidance on Federally Reportable Violations for Clean Air Act Stationary Sources (September 2014) and Timely and Appropriate Enforcement Response to High Priority Violations (August 2014). The overall assessment of this enforcement case reflects the highest level determined.

NRV: Non-Reportable Violation
FRV: Federally Reportable Violation
HPV: High Priority Violation

If you have questions or believe any statement in this notice is erroneous, please contact Cember Hardison, Enforcement Specialist, at (505) 629-6688 or Cember.Hardison@state.nm.us. If you are represented by counsel, please contact Lara Katz, Assistant General Counsel, at (505) 577-6178 or lara.katz@state.nm.us.

Air Quality Bureau Official

Date

Company:	Ameredev II, LLC	Inspection By:	Sherri Paul, Cindy Hollenberg
Facility:	Amen Corner Central Tank Battery Azalea Central Tank Battery Firethorn Central Tank Battery Nandina Central Tank Battery Red Bud Central Tank Battery	NOV Prepared By:	Cember Hardison
NOV #:	AMDV-Multi-2001	NRV, FRV, or HPV:	FRV
Permit #:	GCP-6 #7835 (Amen Corner CTB) GCP-O&G #7601M1 (Azalea CTB) GCP-O&G #7836M1 (Firethorn CTB) GCP-O&G #8189 (Nandina CTB) GCP-O&G #7839M1 (Red Bud CTB)	Date of Discovery:	December 30, 2019

VIOLATION 1: GCP-6, General Condition B101-A – *Legal*; GCP-O&G, Specific Condition A100 – *Introduction and Applicability*

Number of Claims: 5

Requirements:

GCP-6, General Condition B101.A – *Legal* states, in pertinent part: “Unless modified by conditions of this permit, the permittee shall construct or modify and operate the Facility in accordance with all representations of the current application and supplemental submittals that the Department relied upon to determine compliance with applicable regulations and ambient air quality standards.”

GCP-Oil and Gas (GCP-O&G), Specific Condition A100 – *Introduction and Applicability* states, in pertinent part: “The Facility shall operate as specified in the Registration Form. The emission limits and equipment specified in the Registration Form are federally enforceable and shall become the terms and conditions of this Permit.”

Description:

NMED issued the respective GCPs on the following dates:

Amen Corner CTB	GCP-6 #7835	May 31, 2018
Azalea CTB	GCP-O&G #7601M1	October 3, 2019
Firethorn CTB	GCP-O&G #7836M1	October 2, 2019
Nandina CTB	GCP-O&G #8189	February 28, 2019
Red Bud CTB	GCP-O&G #7839M1	October 3, 2019

On August 12, 2019, NMED received a citizen complaint about increased flaring at a facility meeting the location information for Azalea Central Tank Battery (CTB). On September 9, 2019, a Bureau inspector received another complaint about large amounts of flaring by Ameredev.

On December 30 and 31, 2019, the Bureau conducted inspections at Ameredev’s Amen Corner CTB, Azalea CTB, Firethorn CTB, Nandina CTB, and Red Bud CTB (collectively, the “Facilities”). During these inspections, Bureau inspectors observed multiple pieces of equipment at the Facilities that were not included in Ameredev’s GCP registration forms. On January 7, 2020, Ameredev provided to the Bureau a list of all equipment located at each of the Facilities, verifying the unregistered equipment identified by the Bureau, and identifying additional unregistered equipment at all five Facilities.

Based on the Bureau’s inspections and the equipment records provided by Ameredev, Ameredev had, among other changes, doubled the crude oil storage capacity at the Amen Corner and Nandina CTBs, installed combustors and/or a second flare at each of the five Facilities, and installed generator engines at the Amen Corner, Azalea, and Firethorn CTBs. See Attachment 1 - Ameredev Equipment Permitted and Unpermitted which lists the equipment from registration forms, Bureau inspections, and equipment list provided by Ameredev.

Subsequent to the Bureau inspections, Ameredev submitted registrations to modify their GCPs. Table 1, below, lists the GCP modifications authorizing construction and operation of the existing, unpermitted equipment:

Table 1: Summary of GCP Modifications to add equipment

Facility	GCP #	Registration Received	GCP issued
Amen Corner CTB	GCP-O&G #7835M1	May 8, 2020	June 5, 2020
Azalea CTB	GCP-O&G #7601M2	May 15, 2020	June 12, 2020
Firethorn CTB	GCP-O&G #7836M2	April 24, 2020	May 22, 2020
Nandina CTB	GCP-O&G #8189M1	March 25, 2020	April 24, 2020
Red Bud CTB	GCP-O&G #7839M2	April 15, 2020	May 15, 2020

Conclusion:

The failure of Ameredev to construct or modify and operate the Amen Corner CTB in accordance with all representations of the current application (GCP-6 #7835) and supplemental submittals that the Department relied upon to determine compliance with applicable regulations and ambient air quality standards is a violation of GCP-6 General Condition B101.A.

The failure of Ameredev to operate the Azalea CTB as specified in the registration form for GCP-O&G #7601M1 is a violation of GCP-O&G Specific Condition A100.

The failure of Ameredev to operate the Firethorn CTB as specified in the registration form for GCP-O&G #7836M1 is a violation of GCP-O&G Specific Condition A100.

The failure of Ameredev to operate the Nandina CTB as specified in the registration form for GCP-O&G #8189 is a violation of GCP-O&G Specific Condition A100.

The failure of Ameredev to operate the Red Bud CTB as specified in the registration form for GCP-O&G #7839M1 is a violation of GCP-O&G Specific Condition A100.

Additional Information Required:

The following additional information shall be submitted within the specified timeframes:

1. Within 15 days of receipt of this NOV, Ameredev shall provide a list of all equipment at facilities in New Mexico, noting any differences with current permits or registrations. Facilities shall include all upstream facilities (including wells with documentation as to where all hydrocarbon-containing products are sent), midstream facilities and downstream facilities.
2. Within 15 days of receipt of this NOV, Ameredev shall submit a list of all New Mexico facilities and associated permits or NOI registrations. Included in the list will be the name of

the facility, the permit number and type or NOI registration number (as applicable), the legal location of the facility, and documentation, including actual and potential emissions calculations, to demonstrate whether a permit or NOI registration is required.

Company:	Ameredev II, LLC	Inspection By:	Sherri Paul, Cindy Hollenberg
Facility:	Amen Corner Central Tank Battery Azalea Central Tank Battery Firethorn Central Tank Battery Nandina Central Tank Battery Red Bud Central Tank Battery	NOV Prepared By:	Cember Hardison
NOV #:	AMDV-Multi-2001	NRV, FRV, or HPV:	FRV
Permit #:	GCP-6 #7835 (Amen Corner CTB) GCP-O&G #7601M1 (Azalea CTB) GCP-O&G #7836M1 (Firethorn CTB) GCP-O&G #8189 (Nandina CTB) GCP-O&G #7839M1 (Red Bud CTB)	Date of Discovery:	October 25, 2019

VIOLATION 2: GCP-6, General Condition C101 – *Revision Process, D(1) Changes that Prevent Meeting General Permit Limits*

GCP-O&G, General Condition C101 – *Revision Process, C(1) Changes that Prevent Meeting General Permit Limits*

Number of Claims: 5

Requirements:

GCP-6, General Condition C101 – *Revision Process, D(1) Changes that Prevent Meeting General Permit Limits*, states: “Changes or equipment additions that prevent the Facility from meeting the requirements of GCP-6 shall not occur before the owner or operator applies for and is issued an individual construction permit under 20.2.72.200 NMAC.”

GCP-6, Specific Condition A100 – *Description*, Paragraph E states, in pertinent part: “The potential emission rate (PER) of the permitted Facility . . . shall not exceed the total potential emission rates in Table 100.A and Table 100.B. . . . Any Facility with a PER greater than the amounts in Table 100.A or Table 100.B does not qualify for GCP-6.”

GCP-6, Table 100.A provides GCP-6 PER limits as follows:

Table 100.A: Potential Emission Rate (PER) of the Facility

Pollutant*	Emissions (pounds per hour)	Emissions (tons per year)
Nitrogen Oxides (NOx)	less than 10	less than 25
Carbon Monoxide (CO)	less than 10	less than 25
Volatile Organic Compounds (VOCs) from Storage Vessels or Truck Loading	**	No PER Limit
Sulfur Dioxide (SO2)	less than 10	less than 25
Total Suspended Particulates (TSP)	less than 2.5	less than 25
Particulate Matter less than 10 microns (PM10)	less than 2.5	less than 25
Particulate Matter less than 2.5 microns (PM2.5)	less than 2.5	less than 25
Hydrogen Sulfide (H2S)	less than 0.5	less than 5
Lead	less than 10	less than 5

GCP-O&G, General Condition C101 – *Revision Process, C(1) Changes that Prevent Meeting General Permit Limits* states: “Changes or equipment additions that prevent the Facility from meeting the requirements of GCP-Oil and Gas shall not occur before the owner or operator applies for and is issued an individual construction permit under 20.2.72.200 NMAC.”

GCP-O&G, Specific Condition A106.A – *Facility: Allowable Emissions* states, in pertinent part: “In order to qualify for this permit, the Facility’s annual emissions may not exceed those amounts in Table 106.” GCP-O&G, Table 106 provides the maximum emission rates as follows:”

Table 106: Maximum Eligible Emission Rates to Register Under this Permit

Pollutant	Tons per Year (tpy)
Nitrogen Oxides (NOx)	95 tpy
Carbon Monoxide (CO)	95 tpy
Volatile Organic Compounds (VOC)* (non-fugitive)	95 tpy
Sulfur Dioxide	95 tpy
Hydrogen Sulfide	25 tpy
Total Suspended Particulates (TSP)	25 tpy
Particulate Matter less than 10 Microns (PM10)	25 tpy
Particulate Matter less than 2.5 Microns (PM2.5)	25 tpy
Any Individual Hazardous Air Pollutant (HAP)	< 10 tpy
Total HAP	< 25 tpy

Description:

On August 12, 2019, NMED received a citizen complaint about increased flaring at a facility meeting the location information for the Azalea CTB. On September 9, 2019, a Bureau inspector received another complaint about large amounts of flaring by Ameredev. The inspector contacted the company representative to discuss the complaints and asked whether Ameredev had submitted excess emissions reports.

On October 7, 2019, Ameredev requested an in-person meeting with NMED to discuss the ongoing flaring events at the Facilities. On November 7, 2019, Ameredev representatives and Bureau personnel met in Santa Fe, New Mexico. At the meeting, Ameredev explained the cause of their excessive flaring and presented a long-term plan for mitigation.

Between October 25, 2019 and April 27, 2020, Ameredev submitted ten (10) final excess emissions reports (EERs) pertaining to the Facilities, through the Air Quality Bureau Compliance Reporting system (AQBCR). See Attachment 2 – Final EERs submitted by Ameredev to AQBCR.

Each EER reported emission rates of one or more regulated air pollutants from each Facility flare, unit FL-1, exceeding the ton per year (tpy) thresholds allowed by the Permits. Ameredev reported each excess emission event as an emergency that lasted from 66 to 6300 hours. See Attachment 3 – Summary of EEs reported to AQBCR.

Ameredev submitted Affirmative Defense Demonstrations (ADDs) for five of the excess emissions events for which EERs were submitted, claiming the events were emergencies. Pursuant to 20.2.7.113 NMAC, the Bureau rejected all the affirmative defense claims because Ameredev failed to minimize excess emissions by continuing to flare for several months after becoming aware of the excess emissions. Because these were not emergency events, the affirmative defense claims

were denied. See Attachment 4 – Affirmative Defense Evaluation.

According to the EERs submitted by Ameredev, each Facility began flaring gas on the same date that the Facilities started operating, or shortly thereafter. Table 2 lists each Facility startup date and the earliest excess emissions start date.

Table 2 Dates of Facility Startup and Earliest Excess Emission Event

Facility	Facility Startup per Ameredev	Earliest reported excess emission start date
Amen Corner CTB	11-28-2019	11-28-2019
Azalea CTB	12-26-2018	12-27-2018
Firethorn CTB	3-14-2019	3-14-2019
Nandina CTB	7-29-2019	7-29-2019
Red Bud CTB	3-7-2019	3-7-2019

Attachment 3 shows that the excess emissions events caused each of the Facilities to exceed one or more of the tpy thresholds in GCP-6, Table 100.A, or in GCP-O&G, Table 106. Amen Corner CTB exceeded the GCP-6 threshold for CO, sulfur dioxide (“SO₂”) and hydrogen sulfide (“H₂S”); Azalea CTB exceeded the GCP-O&G threshold for CO and SO₂; Firethorn CTB exceeded the GCP-O&G threshold for SO₂; Nandina CTB exceeded the GCP-O&G threshold for CO and VOC; and Red Bud CTB exceeded the GCP-O&G threshold for CO, VOC and SO₂.

Because the excess emissions events at each Facility caused the tpy emission rates to exceed GCP thresholds, none of the Facilities qualify for GCPs, and must therefore apply for individual construction permits pursuant to 20.2.72.200.A(2) NMAC or 20.2.74.200 NMAC.

Conclusion:

The failure of Ameredev to obtain an individual construction permit for the Amen Corner CTB prior to making changes to its equipment and/or operations that prevented the Facility from meeting the requirements of the GCP-6 is a violation of GCP-6, General Condition C101.D(1).

The failure of Ameredev to obtain an individual construction permit for the Azalea CTB, the Firethorn CTB, the Nandina CTB and the Red Bud CTB prior to making changes to its equipment and/or operations that prevented the Azalea CTB, Firethorn CTB, Nandina CTB and Red Bud CTB from meeting the requirements of the GCP-O&G is a violation of GCP-O&G General Condition C101.C(1).

Additional Information Required:

The following additional information shall be submitted within the timeframes specified:

1. Within 15 days of receipt of this NOV, Ameredev shall submit monthly rolling 12-month total tpy emissions, from December 1, 2018 to March 31, 2022, for each of the five (5) Facilities. Calculations shall be in Excel format and calculation formulas shall be visible.

Company:	Ameredev II, LLC	Inspection By:	Sherri Paul, Cindy Hollenberg
Facility:	Nandina Central Tank Battery	NOV Prepared By:	Cember Hardison
NOV #:	AMDV-Multi-2001	NRV, FRV, or HPV:	FRV
Permit #:	GCP-O&G #8189	Date of Discovery:	December 31, 2019

VIOLATION 3: GCP-O&G, Specific Condition A209.A – *Vapor Recovery Unit or Department-approved Equivalent*

Number of Claims: 1

Requirement:

GCP-O&G Specific Condition A209A – *Vapor Recovery Unit or Department-approved Equivalent* states, in pertinent part: "The permittee shall at all times operate the vapor recovery unit ("VRU") as a closed vent system that captures and routes all VOC and HAP emissions . . . back to the process stream or to a sales pipeline, and does not vent to the atmosphere."

Description:

On August 12, 2019, the NMED received a citizen complaint about increased flaring at a facility meeting the location information for Azalea CTB. On September 9, 2019, a Bureau inspector received another complaint about large amounts of flaring by Ameredev.

Ameredev's GCP-O&G #8189 emissions calculation form for the Nandina CTB (Air Emissions Calculation Tool, dated Jan 21, 2019) states, "Emissions will be captured by the VRU at 95% efficiency with 100% control." On page 29 of the emissions calculation form, in the response to "Tanks VOC Control Method, Represent VRU/ULPC Downtime Emissions at the Tank," Ameredev indicated "NA" (not applicable).

During the onsite inspection of the Nandina CTB on December 31, 2019, Bureau personnel observed that the VRUs required to control emissions at the Nandina CTB were not operating. Ameredev personnel stated that all gas from the tanks was being sent to an unregistered flare located at Nandina CTB. In addition, according to the maintenance records from Ameredev, between September 19, 2019, and December 16, 2019, the VRUs were shut down for maintenance at least one day per month.

The GCP-O&G emissions calculations for the Nandina CTB represented tank emissions 100% controlled with capture by the VRU. Ameredev did not report a flare nor request emission limits for a flare in the Nandina GCP Registration.

The Facility was modified when Ameredev routed tank emissions to an unregistered flare for combustion instead of through a closed vent system that captures and routes 100% of tank emissions back to the process stream or to a sales pipeline.

Conclusion:

The failure of Ameredev to operate and control tank emissions with the VRU as represented in the GCP-O&G #8189 for the Nandina CTB Facility is a violation of GCP-O&G, Specific Condition A209.A.

Company:	Ameredev II, LLC	Inspection By:	Sherri Paul, Cindy Hollenberg
Facility:	Azalea Central Tank Battery	NOV Prepared By:	Cember Hardison
NOV #:	AMDV-Multi-2001	NRV, FRV, or HPV:	FRV
Permit #:	GCP-O&G #7601M1	Date of Discovery:	January 7, 2020

VIOLATION 4: GCP-O&G, Specific Condition A209.A *Vapor Recovery Unit or Department-approved Equivalent*

Number of Claims: 1

Requirement:

GCP-O&G, A209.A, *Vapor Recovery Unit or Department-approved Equivalent* states, in pertinent part: "Monitoring: At least once per month, the permittee shall inspect the VRU and associated piping from the controlled units, and blowback vessels, for defects that could result in air emissions. . . . Recordkeeping: The permittee shall record the results of the VRU inspections. . . . Reporting: The permittee shall report in accordance with Section B110."

Description:

On August 12, 2019, NMED received a citizen complaint regarding increased flaring at a facility meeting the location information for Azalea CTB. On September 9, 2019, a Bureau inspector received another complaint regarding large amounts of flaring by Ameredev.

On January 2, 2020, Bureau personnel requested that Ameredev provide VRU inspection records for the Azalea CTB. On January 7, 2020, Ameredev responded via email with a table of responses. For the Azalea CTB, the response to this request states, "No responsive records."

Conclusion:

The failure of Ameredev to complete and/or record VRU inspections at the Azalea CTB is in violation of GCP-O&G, Specific Condition A209.A.

Company:	Ameredev II, LLC	Inspection By:	Sherri Paul, Cindy Hollenberg
Facility:	Amen Corner Central Tank Battery	NOV Prepared By:	Cember Hardison
NOV #:	AMDV-Multi-2001	NRV, FRV, or HPV:	FRV
Permit #:	GCP-6 #7835	Date of Discovery:	January 7, 2020

VIOLATION 5: GCP-6, Specific Condition A107.A Vapor Recovery Unit (VRU) or Ultra Low-Pressure Separators (ULPS) and Compressor Operation

Number of Claims: 1

Requirement:

GCP-6, Specific Condition A107.A – Vapor Recovery Unit (VRU) or Ultra Low-Pressure Separators (ULPS) and Compressor – Operation, states in pertinent part:

Requirement: “If a VRU [] is installed as a method of reducing or capturing VOCs prior to or after the Storage Vessel, emissions shall be routed at all times to the VRU. The VOC emissions shall be captured and routed via a closed loop system back to the process stream such that no emissions are vented to the atmosphere.”

Monitoring: “The permittee shall conduct the following monitoring on a monthly basis: 1) inspect for proper routing to the VRU; 2) inspect each Storage Vessel, VRU and associated piping for defects that could result in emissions . . . ; and 3) monitor for proper operation per manufacturer's specifications.”

Recordkeeping: “The permittee shall record . . . the results of all monthly equipment inspections”

Description:

On August 12, 2019, the NMED received a citizen complaint about increased flaring at a facility meeting the location information for Azalea CTB. On September 9, 2019, a Bureau inspector received another complaint about large amounts of flaring by Ameredev.

Bureau personnel requested VRU inspection records on January 2, 2020, from Ameredev personnel for the Amen Corner CTB. Records received by the Bureau on January 7, 2020, stated that there were no records of VRU inspections at Amen Corner CTB as of December 30, 2019. In the records response, line 5, a note was added: “See AC-5 files; please note that the "Magnolia" CTB as noted in some records is now called the "Amen Corner" CTB.”

Conclusion:

The failure of Ameredev to complete and/or record monthly vapor recovery unit inspections, as of January 7, 2020, of the VRUs used to control air emissions from the Amen Corner CTB vapor recovery towers (VRTs) is in violation of GCP-6, Specific Condition A107.

Additional Information Required:

The following additional information shall be submitted within the timeframes specified:

1. Within 15 days of issuance of this NOV, Ameredev shall confirm or deny that the Magnolia CTB is the same as the Amen Corner CTB (renamed only). Ameredev shall clearly state the effective date of any name change and explain the permit status for both named Facilities.
2. Within 15 days of issuance of this NOV, Ameredev shall submit documentation to the Bureau of VRU inspections conducted for the Amen Corner CTB and the Magnolia CTB for all of 2020 and 2021 and for the first seven months of 2022.

Company:	Ameredev II, LLC	Inspection By:	Sherri Paul, Cindy Hollenberg
Facility:	Amen Corner Central Tank Battery Azalea Central Tank Battery Firethorn Central Tank Battery Nandina Central Tank Battery Red Bud Central Tank Battery	NOV Prepared By:	Cember Hardison
NOV #:	AMDV-Multi-2001	NRV, FRV, or HPV:	HPV
Permit #:	GCP-6 #7835 (Amen Corner CTB) GCP-O&G #7601M1 (Azalea CTB) GCP-O&G #7836M1 (Firethorn CTB) GCP-O&G #8189 (Nandina CTB) GCP-O&G #7839M1 (Red Bud CTB)	Date of Discovery:	October 25, 2019

VIOLATION 6: GCP-6, Specific Condition A100.D – *Description*; and GCP-O&G Specific Condition A106.C *Allowable Hourly and Annual Emissions*

Number of Claims: 167,683

Requirement:

GCP-6, Specific Condition A100.D – *Description* states: “The allowable VOC emissions from each Storage Vessel, including fugitive, startup, shutdown, and maintenance emissions, shall not exceed the total requested allowable emissions in the current Application Form (registration form).”

GCP-O&G, Specific Condition A106.C. – *Facility: Allowable Emissions – Allowable Hourly and Annual Emission Limits* states in pertinent part: “Requirement: For each regulated emission unit in the Registration Form, the emissions specified in the Registration Form shall be the allowable emission limits in this Permit.”

Description:

Between October 25, 2019 and April 27, 2020, the Bureau received ten final EERs from Ameredev pertaining to the Facilities, through the AQBCR system. Each EER reported emission rates from each Facility flare, unit FL-1, exceeding its pound per hour (pph) and tpy emission limits authorized in their GCPs. Ameredev reported each excess emission event as an emergency that lasted from 66 to 6300 hours.

Attachment 3 includes a summary of information from each EER, including activity number, start date, duration, end date, unit number, the total pounds and total tons of emissions of each regulated air pollutant emitted, the identity of each regulated air pollutant and the Facility for which each limit was exceeded. See Attachment 5 – Ameredev Facility Registration Form Emissions Limits, for each of the Facilities.

Regulated air pollutants with excess emissions included NO_x, CO, VOC, SO₂, and H₂S. There were a total of 167,683 exceedances (claims) with a total of 7,641,909.41 pounds of excess emissions.

All Affirmative Defense Demonstrations (“ADD”) for the excess emissions were denied by Bureau staff as documented in Attachment 4.

Conclusion:

The exceedance of the pph and tpy emission limits for each regulated air pollutant authorized in the GCPs for flare, unit FL-1 at each of the Facilities is in violation of GCP-6, Specific Condition A100.D (Amen Corner); and GCP-O&G, Specific Condition A106.C (Azalea, Firethorn, Nandina and Red Bud).

Additional Information Required:

The following additional information shall be submitted within the timeframes specified:

1. Within 30 days of issuance of this NOV, Ameredev shall provide copies of the contract(s) with Salt Creek Midstream that were in effect at the time the flaring events occurred. Ameredev may claim these documents as Confidential Business Information ("CBI"). Submit any CBI documents in separate electronic files from non-CBI documents and identify the documents as CBI. Ameredev shall additionally provide documentation of the reasons, if any, that the contract(s) were not honored as claimed by Ameredev.
2. Within 30 days of issuance of this NOV, Ameredev shall provide copies of the current contract(s) with any facility for accepting gas from Ameredev production operations. Ameredev may claim these documents as CBI.

Company:	Ameredev II, LLC	Inspection By:	Sherri Paul, Cindy Hollenberg
Facility:	Amen Corner Central Tank Battery Azalea Central Tank Battery Firethorn Central Tank Battery Nandina Central Tank Battery Red Bud Central Tank Battery	NOV Prepared By:	Cember Hardison
NOV #:	AMDV-Multi-2001	NRV, FRV, or HPV:	FRV
Permit #:	GCP-6 #7835 (Amen Corner CTB) GCP-O&G #7601M1 (Azalea CTB) GCP-O&G #7836M1 (Firethorn CTB) GCP-O&G #8189 (Nandina CTB) GCP-O&G #7839M1 (Red Bud CTB)	Date of Discovery:	January 28, 2020

VIOLATION 7: GCP-6, Specific Condition A108.A *Flare Operation* and General Condition B101.A – *Legal*; and GCP-O&G, Specific Condition A207.B – *Pilot Flame, Visible Emissions, and Operational Requirements*

Number of Claims: 11

Requirement:

GCP-6, Part A – *Facility Specific Requirements*, Specific Condition A108.A – *Flare Operation* states in pertinent part:

“Requirement: . . . 4) The flare shall be equipped with a system to ensure that it is operated with a flame present at all times.

* * *

Monitoring: The permittee shall continuously monitor the presence of the flare pilot flame using a thermocouple equipped with a continuous recorder and alarm to detect the presence of a flame.”

GCP-6, General Condition B101.A – *Legal* states in pertinent part:

“Unless modified by conditions of this permit, the permittee shall construct or modify and operate the Facility in accordance with all representations of the current application and supplemental submittals that the Department relied upon to determine compliance with applicable regulations and ambient air quality standards.”

GCP-O&G, Specific Condition A207.B – *Pilot Flame, Visible Emissions, and Operational Requirements*, states in pertinent part:

“Requirement: Compliance with the allowable emission limits for flare(s) in the Registration Form shall be demonstrated by the following: . . . 2) The flare shall combust only gas streams represented in the Registration Form . . . 4) For flares with a continuous pilot flame or an auto-igniter, the flare shall be equipped with a system to ensure that the flare is operated with a flame present at all times that gas is sent the flare . . . 8) The flare shall be operated with no visible emissions except for periods not to exceed a total of sixty (60) seconds during any fifteen (15) consecutive minutes.

* * *

Monitoring: 1) For flares with a continuous pilot or an auto igniter, the permittee shall continuously monitor the presence of a flare pilot flame using a thermocouple equipped with a continuous recorder and alarm to detect the presence of a flame . . . 3) When any visible emissions are observed, the permittee shall perform a Method 22 observation while the flare pilot flame is present to certify compliance with the visible emission requirements”

Description:

On August 12, 2019, NMED received a citizen complaint about increased flaring at a facility meeting the location information for Azalea CTB. On September 9, 2019, a Bureau inspector received another complaint about large amounts of flaring by Ameredev.

Ameredev’s letter received by the Bureau on January 28, 2020, stated in part, “The alarm systems are not set up to continuously record alarms, which is a monitoring and recordkeeping requirement. Also, with respect to each of the tank batteries, the flares did not only combust gas streams represented in the registration forms. As previously disclosed, the flares have been used to combust associated gas shut-in by Salt Creek Midstream. With respect to Nandina tank battery, Ameredev is aware of instances during which the flare operated with visible emissions, but Ameredev did not conduct Method 22 inspections.”

Conclusion:

Ameredev violated GCP-6, Specific Condition A108.A at the Amen Corner CTB by failing to equip the flare pilot monitoring equipment with an alarm system and violated GCP-6, General Condition B101.A by failing to combust only gas streams that were represented in the Registration (Application) Form.

Ameredev violated GCP-O&G, Specific Condition A207.B(2) at the Azalea, Firethorn, Nandina and Red Bud CTBs when it combusted gas streams in the flare that were not represented in the Registration Forms for each facility.

Ameredev violated GCP-O&G, Specific Condition A207.B(4) at the Azalea, Firethorn, Nandina and Red Bud CTBs when it failed to equip the flare pilot monitoring equipment with an alarm system.

Ameredev violated GCP-O&G, Specific Condition A207.B(8) at the Nandina CTB by operating a flare with visible emissions without keeping records of any Method 22 observations.

Company:	Ameredev II, LLC	Inspection By:	Sherri Paul, Cindy Hollenberg
Facility:	Amen Corner Central Tank Battery Azalea Central Tank Battery Firethorn Central Tank Battery Nandina Central Tank Battery Red Bud Central Tank Battery	NOV Prepared By:	Cember Hardison
NOV #:	AMDV-Multi-2001	NRV, FRV, or HPV:	FRV
Permit #:	GCP-6 #7835 (Amen Corner CTB) GCP-O&G #7601M1 (Azalea CTB) GCP-O&G #7836M1 (Firethorn CTB) GCP-O&G #8189 (Nandina CTB) GCP-O&G #7839M1 (Red Bud CTB)	Date of Discovery:	January 17, 2020

VIOLATION 8: GCP-6, General Condition B110(B)(1) – *General Reporting Requirements*; and GCP-O&G, General Condition B110.B(1) – *General Reporting Requirements*

Number of Claims: 5

Requirement:

GCP-6 and GCP-O&G General Condition B110.B - *General Reporting Requirements* states: “The permittee shall notify the Air Quality Bureau’s Compliance and Enforcement Section using the current Submittal Form posted to NMED’s Air Quality web site under Compliance and Enforcement/Submittal Forms in writing of, or provide the Department with (20.2.72.212.A and B): (1) the anticipated date of initial startup of each new or modified source not less than thirty (30) days prior to the date. Notification may occur prior to issuance of the permit, but actual startup shall not occur earlier than the permit issuance date.”

Description:

On August 12, 2019, NMED received a citizen complaint regarding increased flaring at a facility meeting the location information for Azalea CTB. On September 9, 2019, a Bureau inspector received another complaint regarding large amounts of flaring by Ameredev.

Based on a review of records provided by Ameredev on January 17, 2020, the Bureau determined that Ameredev did not notify the Department of the initial startup for any of the Facilities. Notifications submitted by Ameredev on March 6, 2020, reported the following start-up dates: Amen Corner CTB – November 28, 2019; Azalea CTB – December 26, 2018; Firethorn CTB – March 14, 2019; Nandina CTB – July 29, 2019; and Red Bud CTB – March 7, 2019.

Conclusion:

The failure of Ameredev to submit notifications of the anticipated date of initial start-up no less than 30 days prior to the date is a violation of GCP-6, General Condition B110.B(1) (Amen Corner facility); and GCP-O&G, General Condition B110.B(1) (Azalea, Firethorn, Nandina and Red Bud facilities).