

ENVIRONMENT DEPARTMENT ROUTING SLIP

To: Ryan Flynn

From: Tony Fristachi, Environmental Specialist, AQB

Drafted By: Tony Fristachi

Date: 02/02/15

Subject: Settlement Agreement and Stipulated Final Compliance Order pertaining to Company NOV # WIL-1236-1301-R1

Final Decision Needed By: 02/12/15

Reason: Timelines

Contact for Information: Tony Fristachi, (505) 476-4329

Reviewer	Title	Initial	Date Received	Date Approved
1. Judy Fisher	Enforcement Manager	JF	2/2/15	
2. Sandra Ely	C&E Section Manager	SE	2/2/15	2/2/15
3. Richard Goodyear	Bureau Chief	RG	2 Feb 15	
4. Michael Vonderheide	Division Director	MV	2/3/15	2/3/15
5. Jeff Kendall	Office of General Counsel	JK	2/4/15	2/4/15
6. Butch Tongate	Deputy Secretary			
7. Ryan Flynn	Cabinet Secretary	RF		2/4/2015
8. Tony Fristachi	Return to Originator			

COMMENTS BY DRAFTER OR REVIEWER(S):

Attached you will find a Settlement Agreement and Stipulated Final Compliance Order between EPD, NMED and Williams Four Corners LLC pertaining to the NOV WIL-1236-1301-R1. Jennifer L. Hower reviewed and approved the document on January 12, 2015, prior to it being executed by Williams Four Corners LLC.

It is now ready for signature on behalf of 1) EPD and 2) NMED.

Please contact me if you have questions. Otherwise, please execute and return the document to me for further processing.

Thank you,

Tony Fristachi

**STATE OF NEW MEXICO
SECRETARY OF ENVIRONMENT**

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

NO. AQB WIL-1236-1301 (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 P207-R2 (“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 32-8 No. 2 Central Delivery Point (“Facility”), located in San Juan County, New Mexico. The Facility is a natural gas compressor station.

B. HISTORY AND ALLEGED VIOLATIONS

3. Permit P207-R2, Condition A202 states in relevant part: "B. Glycol Pump Circulation Rate (Units 10a - 16a) Requirement: To demonstrate compliance with: ... 2) the Benzene exemption of 40 CFR 62, Subpart HH, the glycol pump circulation rate for: ... b) Units 13a & 14a shall not exceed 100 gallons per hour."

4. On July 15, 2013, the Air Quality Bureau received from the Respondent a Title V Semi-Annual Monitoring Report for the 32-8 No. 2 Central Delivery Point Compressor Station which they operate. In the report, the Respondent reported that Unit 13a exceeded the permitted glycol circulation rate of 100 gallons per hour by 7 gallons per hour from January 18, 2013 to June 3, 2013.

5. On June 24, 2014, the Bureau issued to the Respondent Notice of Violation WIL-1236-1301 (“NOV”), alleging a violation of the AQCA, the AQCR, and the Permit. The alleged violation was the failure of the Respondent to limit the glycol pump circulation rate for Unit 13a to 100 gallons per hour, which is a violation of Permit Condition A202.B.2.b.

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 July 25, 2014, the Bureau received the CAV from the Respondent. In the CAV, the Respondent notified the Bureau that the duration of the exceedance was 3,051 hours during the period from January 18, 2013 to May 30, 2013. The glycol circulation rate was exceeded 1.07 times the permitted allowance of 100 gallons per hour for 3,051 hours over a period of 137 days. The CAV was determined to be satisfactory by the Bureau on August 8, 2014.

8. On October 27, 2014 the Bureau issued to Respondent Notice of Violation WIL-1236-1301-R1 ("Revised NOV"), which revised the number of hours the alleged violation occurred.

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

II. COMPROMISE AND SETTLEMENT

A. GENERAL

10. 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.

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

B. CIVIL PENALTY

12. 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 \$8,640.00 to the State of New Mexico within 30 calendar days after the effective date of this Final Order.

13. 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

14. If the Respondent fails to make timely and complete payment of the civil penalty, the Respondent shall pay a stipulated penalty of \$250.00 per day for each day a payment is not timely or complete. The 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 the Respondent for the failure to make timely or complete payment.

III. OTHER TERMS AND CONDITIONS

A. RESERVATION OF RIGHTS AND DEFENSES

15. This Final Order shall not be construed to prohibit or limit in any way the Department from requiring the 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 the Respondent not resolved herein. This Final Order shall not be construed to prohibit or limit in any way the Respondent from raising any defense to a Department action seeking such relief.

B. MUTUAL RELEASE

16. 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 NOV. Such release applies only to civil liability.

C. WAIVER OF STATE LIABILITY

17. The 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 the Respondent's performance of any obligation under this Final Order.

D. EFFECTIVE DATE AND TERMINATION DATES

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

19. 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 15 and 16 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

20. 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

21. This Final Order shall be binding on the Parties and their officers, directors, employees, agents, subsidiaries, successors, assigns, trustees, or receivers.

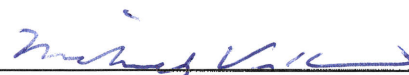
G. AUTHORITY OF SIGNATORIES

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

H. SIGNATURE AND COUNTERPARTS


23. 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: 
MICHAEL VONDERHEIDE
DIRECTOR

Date: 2/3/15

WILLIAMS FOUR CORNERS LLC

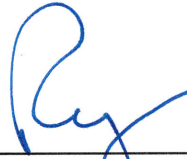
By: 
Print Name: GLEN JASEK
Print Title: VP & GM, FCA

Date: 1-19-15



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.



**RYAN FLYNN
SECRETARY
ENVIRONMENT DEPARTMENT**

Date: 2/7/2015