



MICHELLE LUJAN GRISHAM
GOVERNOR

JAMES C. KENNEY
CABINET SECRETARY

SENT BY ELECTRONIC MAIL AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

May 16, 2024

William McMann, Vice President, Engineering
Steward Energy II, LLC
2600 Dallas Parkway, Suite 400
Frisco TX 75034
Sent by electronic mail to: bill.mcmann@stewardenergy.com

Notice of Violation for Steward Energy II, LLC, AQB Case No. STWD-Multi-2201

Dear William McMann,

The New Mexico Environment Department (“NMED”) has identified Steward Energy II, LLC (Steward Energy) as having violated state and federal regulations for air quality. This Notice of Violation (NOV) is regarding 10 oil and gas facilities (“Facilities”) owned by Steward Energy. The Facilities are located in Lea County, New Mexico and are listed in Attachment A.

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 Violations

The evidence to support this NOV was collected from records received on January 19, 2022 from Steward Energy, by an NMED Compliance inspector who requested the records to investigate a complaint.

The investigation found evidence of the following violations.

1. Failure to apply for and obtain air quality construction permits before construction and operation of six (6) Facilities in violation of 20.2.72.200.E and 20.2.72.200.A(1) New Mexico Administrative Code (NMAC) which states, “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.” See Attachment B with dates each facility started operating and permit issue dates.
2. Failure to keep records at 10 Facilities of the monthly olfactory, visual, and auditory (OVA) inspections of covers and closed vent systems, used to control emissions from storage vessels, in violation of 40 C.F.R. § 60 Subpart OOOOa 60.5420a(c) which requires records of OVA monthly inspections be kept for five (5) years in accordance with 40 C.F.R. § 60 Subpart OOOOa 60.5420a(c)(6) and (7).

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Please note that the facilities 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 AQB'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 each violation:

1. A description of the causes of these violations;
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.

Violation-specific information to provide to NMED:

1. Provide copies of the two most recent Subpart OOOOa annual reports.

With the documentation, please include specific, measurable, and time-bound changes made or to be made addressing any problems causing the violations. Attachment C has been 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 Cember Hardison.
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 will 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 Facilities if new information becomes available.

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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@env.nm.gov or Teresa McDill, Enforcement Manager, at (505) 555-2121 or teresa.mcdill@env.nm.gov. If you are represented by counsel, please contact Chris Vigil, Assistant General Counsel, at (505) 469-4696 or ChristopherJ.Vigil@env.nm.gov.

Thank you for your prompt attention to this matter.
Sincerely,

DocuSigned by:
Dana Bahar
B85073815EB342B...

Dana Bahar
Acting Bureau Chief
Air Quality Bureau

cc: Chris Vigil, OGC
Cindy Hollenberg, Section Chief, AQB
Teresa McDill, Enforcement Manager, AQB
Cember Hardison, Enforcement specialist, AQB

Attachments

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Attachment A- Facility Information			
Agency Interest #	AIRS #	Facility	Location
39567	350251879	Broken Spoke Tank Battery	33.126781, -103.063061
39566	350251878	Dog Bar Tank Battery	33.112246, -103.06924
39571	350251882	Heisenberg State Tank Battery	33.132166, -103.080272
39570	350251883	Salamanca Tank Battery	33.15603, -103.077256
39569	350251884	Saul Goodman Tank Battery	33.140278, -103.062729
40245	350252170	Trinity 22 State Com Battery	33.256018, -103.077333
40228	350252126	Trinity 27-22 State Com Battery	33.240722, -103.081414
39841	350252006	Combo Fee Tank Battery	33.186321, -103.077445
39648	350251917	Slippin Jimmy Tank Battery	33.16105, -103.06251
39558	350251876	Pollos Hermanos Tank Battery	32.112281, -103.088936

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Attachment B - Facility Startup and Permit Issue Dates

Agency Interest #	Facility	Start of Operations	1st Permit Issue Date	Earliest Permit #
39567	Broken Spoke Tank Battery	3/27/2014	6/19/2020	GCP-O&G-8845
39566	Dog Bar Tank Battery	12/9/2014	6/21/2020	GCP-O&G-8844
39571	Heisenberg State Tank Battery	8/15/2017	6/10/2020	GCP-O&G-8848
40245	Trinity 22 State Com Battery	8/26/2018	12/14/2021	GCP-O&G-9448
39648	Slippin Jimmy Tank Battery	7/2/2020	9/11/2020	GCP-O&G-8917
39558	Pollos Hermanos Tank Battery	7/10/2017	6/5/2020	GCP-O&G-8832

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Attachment C

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 Cember Hardison at ember.hardison@env.nm.gov or Enforcement Manager Teresa McDill at teresa.mcdill@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 Steward Energy II, 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 1

_____ *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)*

Alleged Violation 2

_____ *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)*

_____ *Provide a copies of the most recent two Subpart OOOOa annual reports.*

Signature

Date

Printed Name:

Title: