

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

WILLIAMS FIELD SERVICES COMPANY

AI #26858

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT

LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-AE-05-0009
*
* Enforcement Tracking No.
* AE-CN-02-0061
* AE-CN-02-0061A
* AE-L-03-0246
*
* Docket No. 2002-8264-EQ
*

SETTLEMENT

The following Settlement is hereby agreed to between Williams Field Services Company ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

I

Respondent is a corporation who owns and/or operates a gas processing plant facility (Cameron Meadows Gas Processing Plant) located 20 miles west of Cameron on Louisiana Highway 82 between Holly Beach and Johnson Bayou in Cameron Parish, Louisiana ("the Facility").

II

On or about August 8, 2002, a file review of Cameron Meadows Gas Processing Plant was performed to determine the degree of compliance with the Act and Air Quality Regulations.

The following violations were noted during the course of the review:

A. The Respondent was operating above their permitted VOC emissions limits for the regenerator still vent (Source ID 470), 10,000-barrel fixed-roof condensate tank (Source ID 384) and 10,000-barrel condensate surge tank (Source ID 184). This is a violation of Permit No. 0560-00002-01, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

Emission exceedances are shown in the following table:

TABLE

<u>Source ID</u>	<u>Actual(Tons/yr)</u>	<u>Permitted(Tons/yr)</u>	<u>Exceedance(Tons/yr)</u>
1-84	31.40	12.4	19.0
3-84	670.3	1.3	669.0
470	95	28.7	66.3

B. The Respondent failed to notify the Department of changes in production rates for the amine and condensate tank systems. An estimated timeframe the units operated after the production increase, prior to the Notification of Non-Compliance, is approximately 350 days. Specifically, the current operating permit issued August 1, 1990, and the Title V Permit application submitted in October 1996 do not include the production rate increases for the amine and condensate tank systems. This is a violation of Permit No. 0560-00002-01, LAC 33:III.517.C and Sections 2057(A)(1) and 2057(A)(2) of the Act.

On March 29, 2005, the Department issued an Amended Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-02-0061A, to Respondent, as follows:

The Department amended paragraph I of the Findings of Fact section of the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-02-0061, issued to Williams Field Services Company on July 25, 2003, to read:

The Respondent owns and/or operates Cameron Meadows Gas Processing Plant located 20 miles west of Cameron on Louisiana Highway 82 between Holly Beach and Johnson Bayou in Cameron Parish, Louisiana. The facility was operating under Air Permit No. 0560-00002-01 issued on August 1, 1990. The facility currently operates under Title V Air Permit No. 0560-00002-V0 issued on August 8, 2002. The facility submitted a Title V permit modification application on or about August 27, 2004, which reflects the current operations and emissions at the facility.”

The Department also added paragraphs IV, V, VI, VII, and VIII to the Findings of Fact section to read as follows:

On or about May 29, 2003, an inspection of the Respondent’s facility was performed to determine the degree of compliance with the Act and Air Quality Regulations.

The following violations were noted during the course of the inspection:

- A. The Respondent failed to submit the semi-annual fugitive monitoring report for the second half of 2002 by January 31, 2003, pursuant to LAC 33:III.2121.F. The semi-annual fugitive monitoring report for the second half of 2002 was submitted on June 10, 2003. This is a violation of LAC 33:III.2121.F, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- B. The Respondent failed to demonstrate compliance with the CO and NO_x emission limits for the IR Electric Generator No. 1 (Emission Point No. 27A) or the IR Electric Generator No. 2 (Emission Point No. 27B) by performing a stack test on either internal combustion engine as required by State Only Specific Condition 2A of Title V Air Permit No. 0560-00002-V0 for Stationary Internal Combustion Engines. The facility is required to test either emission point within 180 days of issuance of the operating permit. Title V Air Permit No. 0560-00002-V0 was issued on August 8, 2002. The

stack test was performed on Emission Point No. 27A on July 3, 2003. The Respondent's failure to conduct a timely stack test is a violation of State Only Specific Condition 2A of Title V Air Permit No. 0560-00002-V0 for Stationary Internal Combustion Engines, General Condition No. VIII of Title V Air Permit No. 0560-00002-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

- C. The Respondent did not test the internal combustion engine of the IR Electric Generator No. 1 (Emission Point No. 27A) semi-annually for NO_x, CO and O₂ for the second half of 2002 and the first half of 2003. This is a violation of LAC 33:III.501.C.4, State Only Specific Condition B for Stationary Internal Combustion Engines of Title V Air Permit No. 0560-00002-V0, and Section 2057(A)(2) of the Act.
- D. The Respondent did not demonstrate compliance with the CO and NO_x emission limits for the GE Gas Turbine (Emission Point No. 170) by performing a stack test on the gas turbine engine in the required 180 days pursuant to General Condition VIII of Title V Air Permit No. 0560-00002-V0. This is a violation of LAC 33:III.501.C.4, General Condition VIII of Title V Air Permit No. 0560-00002-V0, and Section 2057(A)(2) of the Act.
- E. The Respondent allows Dynegy Barracuda Compressor Station to vent off-gas through its flare (Emission Point No. 570). This operating scenario was not reflected in Air Permit No. 0560-00002-01, nor is it reflected in the current operating permit, Title V Air Permit No. 0560-00002-V0. This is a violation of LAC 33:III.501.C.2, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- F. A review of Emissions Inventory Statement (EIS) data and the Emission Inventory Questionnaire for the flare (Emission Point No. 570) revealed that the facility was not accounting for all emissions to the flare. Findings from this review indicated that the Respondent failed to account for all emissions from Emission Point No. 570 in the annual EIS for the years 2001 and 2002. Each failure to account for all actual emissions to the flare is a violation of LAC 33:III.919.B, LAC 33:III.501.C.4, General Condition XV of Air Permit No. 0560-00002-01, General Condition XV of Title V Air Permit No. 0560-00002-V0, and Section 2057(A)(2) of the Act.

On August 11, 2003, the Department issued a Warning Letter, Enforcement No. AE-L-03-0249, addressing violations noted during the compliance inspection conducted at the Cameron Meadows facility on or about May 29, 2003.

By letter dated October 3, 2003, the Respondent submitted a detailed written response to the Department addressing each of the areas of concern set forth in the Warning Letter, Enforcement Tracking No. AE-L-03-0249, dated August 11, 2003.

A meeting between the Department and representatives of the Respondent was held on March 4, 2004. The purpose of the meeting was to discuss resolution of the issues addressed in Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-02-0061, and Warning Letter, Enforcement No. AE-L-03-0249. As a result of the meeting, it was determined that the outstanding issues would be resolved in an Amended Consolidated Compliance Order and Notice of Potential Penalty.

Based on the Respondent's written response dated March 15, 2004, it was determined that the Respondent would submit an application to modify its Title V permit to allow the Dynege Barracuda Compressor Station to vent off-gas through Respondent's flare (Emission Point No. 570). The Respondent submitted the application to modify its Title V permit on August 27, 2004. The application is currently under review by the Department.

The Department hereby adds paragraph III to the Compliance Order section, to read as follows:

To protect air quality, the Respondent is required to comply with the following:

- A. If the Respondent chooses to emit any air contaminant in the State of Louisiana from its flare (Emission Point No. 570) the following interim limitations shall apply:

Pollutant	Interim/Annual Limit (tons/yr)
Criteria Pollutants	
NO _x	13.64
SO ₂	0.08
CO	11.46
Total VOC	46.44
Speciated HAPs/TAPs	
n-hexane	1.00
2,2,4-trimethylpentane	0.24
benzene	0.20
toluene	0.21
ethylbenzene	0.01
xylene	0.06

All other emission limitations, monitoring requirements, and permit conditions of Title V Permit No. 0560-00002-V0 shall remain in effect and enforceable.

The interim limitations shall remain in effect until the modified Title V Operating Permit, containing the appropriate emission limitations for the flare (Emission Point No. 570), are issued or unless otherwise notified by the Department.

The Respondent shall at all times properly operate and maintain all facilities and systems of control (and related appurtenances) which are installed or used by the Respondent to achieve compliance with the conditions of the interim limitations.

- B. If the Respondent does not choose to emit any air contaminant in the State of Louisiana from its flare (Emission Point No. 570), the Respondent shall, within thirty

(30) days after receipt of the compliance order, provide written documentation to the Department that no activities exist at the Respondent's facility resulting in any unauthorized discharges to the air."

The Department incorporates all of the remainder of the original Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-02-0061 and Agency Interest No. 26858 as if reiterated herein.

III

In response to the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-02-0061, Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

V

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of NINETY-NINE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$99,500.00) of which Four Hundred Fifty-four and 52/100 Dollars (\$454.52) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Amended Consolidated Compliance Order and Notice of Potential Penalty, the Warning Letter, the Consolidated Compliance Order and Notice of Potential Penalty, and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Cameron Parish, Louisiana. The advertisement, in

form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his/her respective party, and to legally bind such party to its terms and conditions.

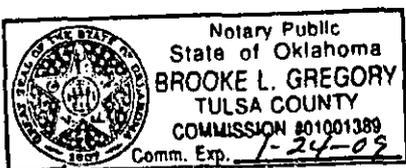
WILLIAMS FIELD SERVICES COMPANY

BY: [Signature]
(Signature)

Rory L. Miller
(Print) **Vice President**

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this 24 day of August, 20 05, at 4:53 p.m.



[Signature]
NOTARY PUBLIC (ID # 1001389)

Brooke L. Gregory
(Print)

STATE OF LOUISIANA
Mike D. McDaniel, Ph.D., Secretary
Department of Environmental Quality

BY: [Signature]
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 10th day of November, 20 05, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 27771)

Russell S. Beard
(Print)

Approved: [Signature]
Harold Leggett, Ph.D., Assistant Secretary