STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF: * Settlement Tracking No.

* SA-AE-22-0086

TARGA MIDSTREAM SERVICES LLC

* Enforcement Tracking No.

AI # 26857 * AE-CN-17-00085

*

PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT

LA. R.S. 30:2001, <u>ET SEQ.</u> *

SETTLEMENT

The following Settlement is hereby agreed to between Targa Midstream Services LLC ("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").

Ι

Respondent is a limited liability company that owns and/or operates a natural gas processing facility located in Johnson Bayou, Cameron Parish, Louisiana ("the Facility").

II

On November 9, 2017, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-17-00085 (Exhibit 1).

Ш

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

IV

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 SIXTEEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$16,500.00), of which One Thousand Three Hundred Thirty-Six and 46/100 Dollars (\$1,336.46) represents the Department'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 the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s), permit record(s), the Consolidated Compliance Order & 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.

VI

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.

VII

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 La. R. S. 30:2025(E) of the Act.

VIII

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IΧ

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 and wording 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 an original proof-of-publication affidavit and an original public notice 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 Accountant Administrator, 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 attached hereto.

ΧI

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 or her respective party, and to legally bind such party to its terms and conditions.

TARGA MIDSTREAM SERVICES LLC

BY: _	BULL
	(Signature)
_	(Printed)
TITLE	: Vice President Operation
THUS DONE AND SIGNED in duplicate of ARCH, 20 23, at	riginal before me this 1674 day of HOSTON, TEXAS.
d	NOTARY PUBLIC (ID #105921)74
	KELLY A. MCCALL Notary Public, State of Texas Comm. Expires 03-25-2025 Notary ID 10592174 (stamped or printed)
BY:	Couisiana department of invironmental Quality Leger W. Gingles, Secretary Celena I. Cage, Assistant Secretary Office of Environmental Compliance
THOS DONE AND SIGNED in duplicate of the control of	Jay Aloucin
	NOTARY PUBLIC (ID # 6688) Vay L. Clori'oso (stamped or printed)
Approved: Celena J. Cage, Assistant Secretary	

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, Ph.D. SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE

November 9, 2017

CERTIFIED MAIL (7016 2140 0000 5132 8420) RETURN RECEIPT REQUESTED

TARGA MIDSTREAM SERVICES LLC

c/o C T Corporation System Agent for Service of Process 3867 Plaza Tower Dr Baton Rouge, LA 70816

RE: CONSOLIDATED COMPLIANCE ORDER

& NOTICE OF POTENTIAL PENALTY

ENFORCEMENT TRACKING NO. AE-CN-17-00085

AGENCY INTEREST NO. 26857

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is hereby served on TARGA MIDSTREAM SERVICES LLC (RESPONDENT) for the violations described therein.

Compliance is expected within the maximum time period established by each part of the COMPLIANCE ORDER. The violations cited in the CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Christopher Clement at (225) 219-3748 or Christopher.Clement@la.gov.

1 V

Sincerely

Administrator

Enforcement Division

CJC/CGC/cgc Alt ID No. 0560-00004 Attachment



c: Targa Midstream Services LLC c/o Mr. Lancey Buford, Operations/Maintenance Supervisor 5466 Gulf Beach Highway Johnson Bayou, LA 70631

STATE OF LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF

TARGA MIDSTREAM SERVICES LLC CAMERON PARISH ALT ID NO. 0560-00004

ENFORCEMENT TRACKING NO.

AE-CN-17-00085

AGENCY INTEREST NO.

PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.

26857

CONSOLIDATED

COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is issued to TARGA MIDSTREAM SERVICES LLC (RESPONDENT) by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates the Barracuda Gas Plant (facility), a natural gas processing facility, located at 5466 Gulf Beach Highway, in Johnson Bayou, Cameron Parish Louisiana. The facility operates or has operated under the authority of the following Title V Permits:

PERMIT	ISSUE DATE	PERMIT EXPIRATION DATE
0560-00004-V6	August 14, 2015	July 9, 2020
0560-00004-V5	July 9, 2015	July 9, 2020
0560-00004-V4	February 4, 2014	August 8, 2015

PERMIT	FISSUE DATE	PERMIT EXPIRATION DATE
0560-00004-V3	August 8, 2010	August 8, 2015
0560-00004-V2	April 15, 2008	August 8, 2010
0560-00004-V1	August 8, 2005	August 8, 2010
0560-00004-V0	January 6, 2000	January 6, 2005

II.

On or about November 10, 2015, an inspection of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. While the Department's investigation is not yet complete, the following violations were noted during the inspection and subsequent file review conducted on May 8, 2017:

The performance/emissions test was past due for E-7-R Turbine (EQT 6) and E-14 Turbine (EQT 11). Specific Requirement No. 6 of Title V Permit No. 0560-00004-V6 requires emissions/stack testing every five (5) years, plus or minus six (6) months, from the time/date the previous performance/emissions test was performed for these turbines. The most recent emissions/stack test for E-7-R turbine was December 6, 2009. The most recent emissions/stack test for E-14 turbine was February 23, 2009. Each failure to perform emissions/stack testing in a timely manner is a violation of Specific Requirement No. 6 of Title V Permit No. 0560-00004-V6, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

III.

On or about July 26 through July 28, 2016 an inspection of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. While the Department's investigation is not yet complete, the following violations were noted during the inspection and subsequent file review conducted on May 8, 2017:

- A. The Respondent failed to include necessary personal protective equipment in operating procedures. Failure to include necessary personal protective equipment in operating procedures is a violation of LAC 33:III.5901.A, 40 CFR 68.69(a)(3)(ii), and La. R.S. 30:2057(A)(2). According to a response dated August 29, 2016, the Respondent has added precautions to operating procedures including personal protective equipment requirements and references of Safety Data Sheets (SDS).
- B. The Respondent failed to establish written procedures to maintain instruments and fixed equipment. There were no instrument procedures or policy defining the Mechanical Integrity (MI) program or requirements. Although an MI Program Matrix was referenced it could not be produced. Failure to establish written procedures to maintain instruments and fixed equipment is a violation of LAC 33:III.5901.A,

- 40 CFR 68.73(b), and La. R.S. 30:2057(A)(2). According to a response dated August 29, 2016, the Respondent will include a job plan with clearly defined requirements with each work order generated through their Maximo tracking system for testing process instruments.
- C. The Respondent failed to perform visual inspections on pipe and vessels. Visual inspections were due for pipe and vessels in 2015. Visuals were not done on vessel 16.08 in 2015. There were no visual inspections using recognized and generally accepted good engineering practices on any pipe in 2015. Failure to perform visual inspections on pipe and vessels is a violation of LAC 33:III.5901.A, 40 CFR 68.73(d)(3), and La. R.S. 30:2057(A)(2). According to a response dated August 29, 2016, the Respondent will require contractors to document all visual inspections in the future.
- D. The 2015 pipe inspections throughout the facility did not have the inspector names or date the inspections were conducted and the 2010 pipe inspections did not indicate unique identifiers of the pipe that was inspected. Failure to identify the date of the inspection or test, the name of the person who performed the inspection or test, the serial number or other identifier of the equipment on which the inspection or test was performed is a violation of LAC 33:III.5901.A, 40 CFR 68.73(d)(4), and La. R.S. 30:2057(A)(2). According to a response dated August 29, 2016, the Respondent changed inspection forms to include date of inspection and name of inspector and will use API 570 standards.
- E. The Respondent failed to follow recognized and generally accepted good engineering practices for the inspection of vessels. Barracuda MI document says ultrasonic inspections will be conducted on the shell of vessels. No shell readings were taken during 2015 inspections of vessels BCV005, BCV03, and 16.08. Failure to follow recognized and generally accepted good engineering practices for the inspection of vessels is a violation of LAC 33:III.5901.A, 40 CFR 68.73(d)(2), and La. R.S. 30:2057(A)(2). According to a response dated August 29, 2016, the Respondent utilizes API 510 standards for conducting vessel monitoring; however, they will increase the number of points to be used while performing external ultrasonic inspections on pressure vessels. In a subsequent response dated April 28, 2017, the Respondent states that PV 16.02 and PV 16.03 may have been mistakenly identified as BCV005 and BCV03 respectively as there are no vessels at Barracuda identified as BCV005 and BCV03. The Respondent provided documentation that the Ultrasonic Thickness inspections were conducted on PV 16.02, PV 16.07, and PV 16.08 in April 2017.
- F. The Respondent failed to assure that the Management of Change (MOC) considerations of 40 CFR 68.75(b) are addressed prior to any change. Specifically, the facility had a MOC procedure which indicated all considerations required by 68.75(b)(1-5) were addressed. However, there was no documentation of the date on which the change was initiated. On MOC 14-002 (Installation of Glycol Dehydrator) the MOC paperwork was approved by the Area Manager on May 5, 2014. There were

weld x-rays from the installation dated April 14, 2014 indicating the MOC paperwork and approval was done after the installation of the equipment. Failure to properly document MOC procedures is a violation of LAC 33:III.5901.A, 40 CFR 68.75(b), and La. R.S. 30:2057(A)(2). According to a response dated August 29, 2016, the Respondent will review and re-train plant employees on MOC requirements. In a subsequent response dated April 28, 2017, the Respondent stated it has reviewed and re-trained plant personnel on MOC requirements during a monthly safety meeting on July 28, 2016. A copy of the meeting roster was included in the response. Additionally, MOC progress is tracked by a regional ES&H Specialist and reviewed as part of monthly management meetings with the Area Manager.

COMPLIANCE ORDER

Based on the foregoing, the Respondent is hereby ordered:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Air Quality Regulations.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, the most current performance/emissions test results for E-7-R Turbine (EQT 6) and E-14 Turbine (EQT 11) as referenced in Findings of Fact Paragraph II.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER, documentation of all external visual inspections of piping for 2015 including the name of the inspector and date of inspection.

IV.

To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this COMPLIANCE ORDER. This report and all other reports or information required to be submitted to the Enforcement Division by this COMPLIANCE ORDER shall be submitted to:

Office of Environmental Compliance Post Office Box 4312 Baton Rouge, Louisiana 70821-4312

Attn: Christopher Clement

Re: Enforcement Tracking No. AE-CN-17-00085

Agency Interest No. 26857

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

H.

The request for an adjudicatory hearing shall specify the provisions of the COMPLIANCE ORDER on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality Office of the Secretary Post Office Box 4302 Baton Rouge, Louisiana 70821-4302

Attn: Hearings Clerk, Legal Division

Re: Enforcement Tracking No. AE-CN-17-00085 Agency Interest No. 26857

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This COMPLIANCE ORDER shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this COMPLIANCE ORDER shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this COMPLIANCE ORDER becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this COMPLIANCE ORDER and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

П.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Christopher Clement at (225) 219-3748 within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY.

III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

IV.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this NOTICE OF POTENTIAL PENALTY portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE" form. The Respondent must include a justification of the offer. <u>DO NOT</u> submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

V.

This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is effective upon receipt.

Baton Rouge, Louisiana, this 5

Lourdes Iturralde Assistant Secretary

Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality Office of Environmental Compliance **Enforcement Division** P.O. Box 4312 Baton Rouge, LA 70821-4312 Attention: Christopher Clement

LDEQ-EDMS Document 10868345, Page 11 of 12

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

ENFORCEMENT DIVISION

CONSOLIDATED COMPLIANCE ORDER &

POST OFFICE BOX 4312

NOTICE OF POTENTIAL PENALTY



BATON ROUGE, LOUISIANA, 70821-4312

BATON ROUGE, LOUISIANA	70821-4312 REQUEST TO CLO	SE ·	LOUISIANA	
Enforcement Tracking No.	AE-CN-17-00085	Contact Name	Christopher Clement	
Agency Interest (AI) No.	26857	Contact Phone No.	(225) 219-3748	
Alternate ID No.	0560-00004		(,	
Respondent:	TARGA MIDSTREAM SERVICES LLC	M SERVICES LLC Facility Name: Barracuda Gas Plant	Barracuda Gas Plant	
	c/o C T Corporation System	Physical Location:	5466 Gulf Beach Highway	
	Agent for Service of Process	7	,,,,,,,	
	3867 Plaza Tower Dr	City, State, Zip:	Johnson Bayou, LA 70631	
	Baton Rouge, LA 70816	Darich:	Campron	
	STATEMENT O	F.COMPLIANCE	Cameron	

The state of the s	 (1) からないのでは、「「日本」とは、「日本」は、日本の一般には、「日本」 	State of the species of the first of the fir
STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph IV of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraphs II and III of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 45 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s)? of the "Order" portion of the COMPLIANCE ORDER.	N/A	
All necessary documents were submitted to the Department within 90 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s)? of the "Order" portion of the COMPLIANCE ORDER.	N/A	-
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:		

(check the applicable option)

 Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.
 In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-17-00085), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-17-00085), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay _ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.

- Monetary component =
- Beneficial Environmental Project (BEP)component (optional)=
- \$ DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-CN-17-00085) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

	ČERTIFICATIONSTATI	MENT			
I certify, under provisions in Louisiana of information and belief formed after reasonare true, accurate, and complete. I also centher facility I own or operate. I further cer	nable inquiry, the statements and artify that I do not owe outstandin	information attached a fees or penalties to	d and the complic o the Department	ance statement above,	
Respondent's Signature	Respondent's Printed Na	ted Name F		Respondent's Title	
Respondent's Physica	Address	Pornandant's Oh	ano #	Dotte	
	COMPLETED DOCUMENT TO T	Respondent's Ph HE ADDRESS BELOV		Date	
Louisiana Department of Environmental Qu Office of Environmental Compliance Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Christopher Clement					