

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION 6  
BEFORE THE ADMINISTRATOR

|                                 |   |                                 |
|---------------------------------|---|---------------------------------|
| In the Matter of:               | ) |                                 |
|                                 | ) |                                 |
| Delaware Basin JV Gathering LLC | ) | EPA Docket No. CAA-06-2020-3386 |
| Kermit, Texas                   | ) |                                 |
|                                 | ) |                                 |
| Respondent                      | ) |                                 |

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**ADMINISTRATIVE COMPLIANCE ORDER ON CONSENT**

The following Administrative Compliance Order on Consent (“Consent Order”) is issued pursuant to the authority of Section 113(a)(1)(A) of the Clean Air Act, 42 U.S.C.

§ 7413(a)(1)(A) (hereinafter referred to as “the Act” or the “CAA”). Section 113(a)(1) of the Act authorizes the Administrator of the United States Environmental Protection Agency (“EPA”) to issue an order requiring compliance to any person whom the Administrator finds to be in violation of the Act. The authority to issue this Consent Order has been delegated to the Regional Administrator of EPA Region 6 and re-delegated to the Director of the Enforcement and Compliance Assurance Division, EPA Region 6.

**STATUTORY AND REGULATORY BACKGROUND**

1. The Act is designed “to protect and enhance the quality of the Nation’s air resources so as to promote the public health and welfare and the productive capacity of its population.” CAA § 101(b)(1), 42 U.S.C. § 7401(b)(1).

2. Section 109(a) of the CAA, 42 U.S.C. § 7409(a), requires the Administrator of EPA to publish national ambient air quality standards (“NAAQS”) for certain air pollutants. Section

109(b) of the CAA, 42 U.S.C. § 7409(b), provides that the NAAQS establish primary air quality standards to protect public health and secondary standards to protect public welfare.

3. To achieve the objectives of the NAAQS and the Act, Section 110(a) of the CAA, 42 U.S.C. § 7410(a), requires each State to adopt a state implementation plan (“SIP”) that provides for the implementation, maintenance, and enforcement of the NAAQS, and to submit it to the Administrator of EPA for approval.

4. The State of Texas has adopted a SIP that has been approved by EPA. *See* 40 C.F.R. Part 52, Subpart SS. The Texas SIP includes authorization for Texas to establish a program for standard permits, which can be found at 30 Tex. Admin. Code Chapter 116, Subpart F – Standard Permits. *See* 40 C.F.R. § 52.2270(c).

5. Non-rule Standard Permits must comply with Subchapter F of Chapter 116 of the TAC, which regulates standard permits for air pollution control projects that reduce or maintain authorized emission rates for existing facilities. This Subchapter also establishes standards for emission control equipment. *See* 30 Tex. Admin. Code § 116.601 – 116.620. The State of Texas issued the Air Quality Standard Permit for Oil and Gas Handling and Production Facilities (“TCEQ Non-Rule Standard Permit for Oil and Gas Facilities”).

6. The TCEQ Non-Rule Standard Permit for Oil and Gas Facilities provides the following requirements applicable to this Consent Order:

- a. The non-rule standard permit states that “[a]ll facilities which have the potential to emit air contaminants must be maintained in good working order and operated properly during facility operations.” TCEQ Non-Rule Standard Permit for Oil and Gas Facilities (e)(1).
- b. The non-rule standard permit requires that any combination of process equipment and storage facilities with an uncontrolled potential to emit equal to or greater than 25 tons per year of VOC be captured and routed to a control device with a minimum design control efficiency of at least 95%. TCEQ Non-Rule Standard Permit for Oil and Gas Facilities (e)(5) and (m) Table 10.

- c. The non-rule standard permit requires all components found to be leaking must be repaired. “Every reasonable effort shall be made to repair a leaking component.” TCEQ Non-Rule Standard Permit for Oil and Gas Facilities (e)(6).

7. EPA is authorized by Section 113 of the CAA, 42 U.S.C. § 7413, to take action to ensure that air pollution sources comply with all federally applicable air pollution control requirements. These include requirements promulgated by EPA and those contained in federally enforceable SIPs or permits.

#### FINDINGS OF FACT AND CONCLUSIONS OF LAW

8. Delaware Basin JV Gathering LLC (“Delaware Basin” or “Respondent”) is a company doing business in the state of Texas. Respondent is a “person” within the meaning of Section 113(a) of the CAA, 42 U.S.C. § 7413(a), and as defined in Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

9. At all times relevant to this Consent Order, Respondent has owned and/or operated a natural gas gathering facility, the Avalon CGF-3 site, located in Loving County (the “Facility”).

10. Respondent is the “owner or operator” of the Facility within the meaning of 40 C.F.R. § 51.100(f).

11. At all times relevant to this Consent Order, Respondent owned or operated a natural gas gathering facility, which emits volatile organic compounds (“VOCs”).

12. The Facility is subject to the State of Texas’s Standard Permits program under Subchapter F of Chapter 116 of the TAC.

13. TCEQ issued Respondent Permit No. 122356, an air permit issued under the SIP-approved Non-Rule Standard Permit program. The permit covers various emission units at the Facility, including process equipment.

14. Respondent is required by Permit No. 122356 to control emissions from process equipment at the Facility. The permit requires Respondent to operate in compliance with certain provisions of the Texas SIP.

15. During September 10 – October 3, 2019, EPA contracted helicopter flyovers of the Permian Basin area to assess energy extraction facility emissions using Optical Gas Imaging (“OGI”) technology.

16. Based upon its review of the images obtained during the flyovers and preliminary permit information available from online state databases for oil and gas facilities, EPA identified unauthorized emissions at a facility that EPA believed was owned or operated by Respondent.

17. On November 26, 2019, EPA sent Anadarko E&P Onshore LLC (“Anadarko”) a letter, along with an enclosed disk of OGI video captures showing hydrocarbon emissions from process equipment at a facility. Anadarko received the letter on December 9, 2019. At that time, Respondent was an affiliate of Anadarko. EPA asked Respondent to verify ownership, provide current site-specific permit information, and take any necessary corrective action to address unauthorized hydrocarbon emissions at the facility. EPA considered information provided by Respondent to determine whether violations occurred at the facility.

18. On December 19, 2019, Respondent provided information to EPA that it had taken corrective action measures at the Facility to address the compliance issues observed during the flyovers.

19. EPA has conducted a comprehensive review of the facility-specific information gathered based upon observations made from the OGI video captures, facility permitted operations, and information provided by Respondent. Based on this review, EPA has made the following findings for the Facility:

- a. Respondent violated TCEQ Non-Rule Standard Permit for Oil and Gas Facilities (e)(1) by failing to ensure that facilities that have the potential to emit air contaminants were maintained in good working order and were operating properly during facility operations.
- b. Respondent violated TCEQ Non-Rule Standard Permit for Oil and Gas Facilities (e)(5) by failing to ensure that emissions from process equipment were captured and routed to a control device with a minimum design control efficiency as specified in Table 10.
- c. Respondent violated TCEQ Non-Rule Standard Permit for Oil and Gas Facilities (e)(6) by failing to ensure that all components found to be leaking were repaired.

20. More than thirty (30) days before the issuance of this Consent Order, Respondent was notified of the violations alleged herein. On April 14, 2020, Respondent and the State of Texas were notified of the violations alleged herein, in accordance with Section 113(a)(1) of the CAA, 42 U.S.C. § 7413(a)(1).

21. On May 6, 2020, Respondent and EPA Region 6 conferred regarding violations of the Texas SIP.

22. The parties to this Consent Order agree that an opportunity to confer has been satisfied in accordance with Section 113(a)(4) of the CAA, 42 U.S.C. § 7413(a)(4).

23. The parties further agree that in order to avoid protracted litigation, and in the best interest of all the parties and the environment, this Administrative Compliance Order will be entered into on Consent and by mutual agreement of the parties.

24. Only for the purposes of this proceeding, including any subsequent proceeding by EPA to enforce this document, Respondent admits the jurisdictional allegations contained herein; however, Respondent neither admits nor denies the specific findings of fact and conclusions of law contained in this Consent Order.

25. Respondent consents to and agrees not to contest EPA's jurisdiction to either issue this Consent Order or enforce its terms. Further, Respondent will not contest EPA's jurisdiction

to either compel compliance with this Consent Order in any subsequent enforcement proceedings, whether administrative or judicial, or require Respondent's full compliance with the terms of this Consent Order or impose sanctions for violations of this Consent Order.

Respondent consents to the terms of this Consent Order.

ORDER ON CONSENT

26. Section 113(a)(1) of the CAA, 42 U.S.C. § 7413(a)(1), provides in pertinent part that the Administrator may issue an Order requiring compliance with any requirement of a SIP.

Pursuant to this authority, EPA has decided to issue this Consent Order after investigating all relevant facts, taking into account Respondent's compliance history, efforts made by Respondent to comply with applicable regulations, and based upon the foregoing Findings of Fact and Conclusions of Law herein.

27. Respondent has consented to, and is hereby ordered to satisfy, the following requirements regarding the Facility:

- a. Within thirty (30) days of the Effective Date of this Consent Order, Respondent shall inspect and evaluate all vent stacks and affiliated parts associated with process equipment at the Facility to ensure there are no unauthorized emissions.
- b. Within ninety (90) days of the Effective Date of this Consent Order, Respondent shall review its operation and maintenance procedures for inspecting process equipment at the Facility, and update the procedures, as necessary, to ensure that problems are timely identified and addressed to minimize emissions from process equipment. If Respondent does not have such procedures, it shall create such procedures. Respondent shall ensure that these procedures include, at a minimum, the following:
  - i. the use of a standard site inspection checklist during regular inspections that requires evaluation of the following: reboilers, separators, generators, tanks, piping, valves, combustors, compressors, oxidizers, and miscellaneous facility-wide operations;
  - ii. a quality control program that ensures the quality, efficiency, and performance of facility maintenance activities; and

- iii. appropriate and regular training for personnel implementing the operation and maintenance procedures.
- c. Within ninety (90) days from the review discussed in sub-paragraph “b.” above, Respondent shall send a letter to EPA detailing:
  - i. the equipment that was inspected under sub-paragraph “a.” above at the Facility, the method of inspection, and any actions taken, or improvements made to ensure or improve compliance; and
  - ii. any updates that were made to the operation and maintenance procedures for the Facility to ensure that problems are timely identified and addressed to minimize emissions from process equipment.

28. Any information or correspondence submitted by Respondent to EPA under this Consent Order shall be addressed to the following:

Jamie Salabogi  
Air Permitting Enforcement Section (ECDAP)  
Enforcement and Compliance Assurance Division  
U.S. EPA - Region 6  
1201 Elm Street  
Dallas, Texas 75270  
Phone: (214) 665-7533  
Email: salabogi.jamie@epa.gov

29. To the extent this Consent Order requires Respondent to submit any information to EPA, Respondent may assert a business confidentiality claim covering part or all of that information, but only to the extent and only in the manner described in 40 C.F.R. § 2.203. EPA will disclose information submitted under a confidentiality claim only as provided in 40 C.F.R. Part 2, Subpart B. *See* 41 Fed. Reg. 36,902 (Sept. 1, 1976). If Respondent does not assert a confidentiality claim, EPA may make the submitted information available to the public without further notice to Respondent. Emission data provided under Section 114 of the CAA, 42 U.S.C. § 7414, is not entitled to confidential treatment under 40 C.F.R. Part 2, Subpart B. “Emission data” is defined in 40 C.F.R. § 2.301.

30. By signing this Consent Order, Respondent acknowledges that this Consent Order will be available to the public and agrees that this Consent Order does not contain any confidential business information.

#### GENERAL PROVISIONS

31. Pursuant to Section 113(a)(4) of the CAA, 42 U.S.C. § 7413(a)(4), this Consent Order shall be effective when fully executed, as set forth below in Paragraph 49 shall not exceed a term of one year and shall be nonrenewable.

32. The provisions of this Consent Order shall apply to and be binding upon Respondent, its officers, directors, agents, and employees solely in their capacity of acting on behalf of Respondent.

33. Respondent neither admits nor denies any of the factual or legal determinations made by EPA in this Consent Order.

34. The provisions of this Consent Order shall be transferable to any other party, upon sale or other disposition of the Facilities. Upon such action, the provisions of this Consent Order shall then apply to and be binding upon any new owner or operator, its officers, directors, agents, employees, and any successors in interest.

35. By signing this Consent Order, the undersigned representative of Delaware Basin JV Gathering LLC certifies that he or she is fully authorized by Respondent to execute and enter into the terms and conditions of this Consent Order and has the legal capacity to bind Respondent to the terms and conditions of this Consent Order.

36. Nothing in this Consent Order shall be construed to prevent or limit EPA's civil and criminal authorities, or that of other Federal, State, or local agencies or departments to obtain compliance, penalties, or injunctive relief under any applicable Federal, State, or local laws or

regulations, including the power of EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.

37. Nothing contained in this Consent Order shall affect the responsibility of Respondent to comply with all other applicable Federal, State, or local laws or regulations, including Section 303 of the CAA, 42 U.S.C. § 7603.

38. EPA does not waive any rights or remedies available to it for any violations by Respondent of Federal laws, regulations, statutes, or permitting programs.

39. Any and all information required to be maintained or submitted pursuant to this Consent Order is not subject to the Paperwork Reduction Act of 1995, 44 U.S.C. §§ 3501 *et seq.*, because it seeks to collect information from specific entities to assure compliance with this administrative action.

40. By signing this Consent Order, Respondent certifies that the information it has supplied concerning this matter was at the time of submission, and is, to the best of its knowledge and belief, truthful, accurate, and complete for each submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.

41. EPA and Respondent agree to the use of electronic signatures for this matter. EPA and Respondent further agree to electronic service of this Consent Order by email to the following addresses:

To EPA: Roland.Alexandrea@epa.gov

To Respondent: Sherry.Bursey@WesternMidstream.com

42. EPA reserves all its statutory and regulatory powers, authorities, rights, and remedies, both legal and equitable, which may pertain to Respondent's failure to comply with any of the requirements of this Consent Order. This Consent Order shall not be construed as a covenant not to sue, release, waiver, or limitation of any rights, remedies, powers, and/or authorities, civil or criminal, which EPA has under any statutory, regulatory, or common law authority of the United States.

43. This Consent Order does not resolve any civil or criminal claims of the United States for the violations alleged in this Consent Order; nor does it limit the rights of the United States to obtain penalties or injunctive relief under the Act or other applicable federal law or regulations.

44. Respondent enters into this Consent Order in good faith without trial or adjudication of any issue of fact or law.

45. Respondent waives any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this Consent Order, including any right of judicial review under Section 307(b)(1) of the CAA, 42 U.S.C. § 7607(b)(1).

46. The parties shall bear their own costs and fees in this action, including attorneys' fees.

47. For purposes of the identification requirement of Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), performance of Paragraph 27 is restitution or required to come into compliance with the law.

FAILURE TO COMPLY

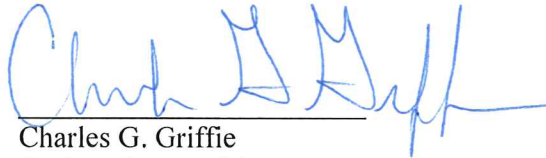
48. Failure to comply with this Consent Order may result in an enforcement action for appropriate injunctive relief as well as civil penalties pursuant to Section 113(b) of the CAA, 42 U.S.C. § 7413(b) or, in appropriate cases, criminal penalties.

Delaware Basin JV Gathering LLC  
Docket No. CAA-06-2020-3386

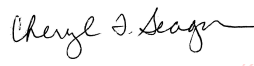
EFFECTIVE DATE

49. This Consent Order shall become effective upon the later of the two signatures below.

6/22/2020  
Date

  
Charles G. Griffie  
Senior Vice President  
Delaware Basin JV Gathering LLC  
9950 Woodloch Forest Dr.  
Suite 2800  
The Woodlands, Texas 77380

6/24/2020  
Date

  
Cheryl T. Seager, Director  
Enforcement and  
Compliance Assurance Division

Digitally signed by CHERYL SEAGER  
DN: c=US, o=U.S. Government, ou=Environmental  
Protection Agency, cn=CHERYL SEAGER,  
0.9.2342.19200300.100.1.1=68001003651793  
Date: 2020.06.24 16:17:49 -0500

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing Administrative Compliance  
Order on Consent was sent this day in the following manner to the addressees:

Copy via Email to EPA:  
Roland.Alexandrea@epa.gov

Copy via Email to Respondent:  
Sherry.Bursey@WesternMidstream.com

Date: 6/25/2020



Digitally signed by ALEXANDREA ROLAND  
DN: c=US, o=U.S. Government, ou=Environmental  
Protection Agency, cn=ALEXANDREA ROLAND,  
0.9.2342.19200300.100.1.1=68001003882005  
Date: 2020.06.25 08:32:12 -0500

U.S. EPA, Region 6  
Dallas, Texas