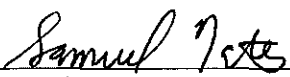


**Region 6 Compliance Assurance and Enforcement Division
INSPECTION REPORT**

Inspection Date(s):	07/12/2018		
Media:	Air		
Regulatory Program(s)	Clean Air Act Section 112(r) and 40 C.F.R. Part 68 Chemical Accident Prevention Provisions		
Company Name:	Davis Gas Processing, Inc.		
Facility Name:	Big Lake Treating Facility		
Facility Physical Location:	189 Gas Plant Road		
(city, state, zip code)	Big Lake, Texas 76932		
Mailing address:	P.O. Box 207		
(city, state, zip code)	Big Lake, Texas 76932		
County/Parish:	Reagan		
Facility Contact:	Ty Lange	Gathering Foreman	
	tlange@wtggas.com		
FRS Number:	110007180790		
Identification/Permit Number:	Federal Operating Permit O3060		
Media Number:	RMP EPA Facility Identifier: 100000112219		
NAICS:	211112 = Natural Gas Liquid Extraction		
Personnel participating in inspection:			
Tony Robledo	US EPA/6EN-AS	Inspector	(214) 665-8182
Elena Hofmann	EO Solutions	WTG Environmental Manager	(713) 983-0112
Bobby Roach	WTG	HS&E Director	(432) 583-1247
EPA Lead Inspector Signature/Date	 Tony Robledo		8/28/18 Date
Supervisor Signature/Date	 Samuel Tate		8/28/2018 Date

Section I - INTRODUCTION

PURPOSE OF THE INSPECTION

I, United States Environmental Protection Agency (EPA) Region 6 Inspector, Tony Robledo arrived at the Big Lake Treating Facility (Big Lake) at approximately 9:00 a.m. on July 12, 2018, for an announced inspection. I was accompanied by two Texas Commission on Environmental Quality (TCEQ) Environmental Investigators, Greg Dannheim and Savanna Warick. I conducted an opening meeting with the following people in attendance (Table 1).

Table 1: Opening Meeting Attendance

Name	Position
Elena Hofmann	Environmental Manager
Bobby Roach	Health Safety and Environmental Director
Ty Lange	Gathering Foreman
Harrison Reback	Associate Lawyer
Trae Futrell	Area Manager
Greg Dannheim	TCEQ Environmental Investigator
Savanna Warick	TCEQ Environmental Investigator
Tony Robledo	Inspector & Enforcement Officer EPA Region 6

I presented my credentials to all attendees at the opening meeting and informed them that this EPA inspection was to determine compliance with Clean Air Act Sections 112(r)(1) and 112(r)(7). The scope of the inspection was a partial compliance evaluation (PCE) and included evaluation of the compliance with 40 C.F.R. Part 68 – Chemical Accident Prevention Provisions. This inspection was prompted by an incident on April 14, 2018, that released hydrogen sulfide (H₂S) and resulted in the fatality of one operator onsite. Big Lake is a Risk Management Plan (RMP) Program Level 1 facility. Big Lake is a non-union facility.

FACILITY DESCRIPTION

The Big Lake Treating Facility is a natural gas compression and treating plant. Low pressure inlet gas streams enter the plant from pipelines. Gas flow rate through this facility is on average between 10 million to 12 million cubic feet per day. The gas is compressed and flows through an amine gas sweetening unit to remove H₂S and carbon dioxide (CO₂) from the gas. The H₂S and CO₂ rich acid gas stream from the amine unit is sent to a Texas Railroad Commission permitted underground injection well. The sweetened gas from the amine unit flows through a glycol dehydration unit to remove any water present in the gas. The gas is further compressed and sent via pipeline to a downstream gas plant for separation of gas and natural gas liquids. Regulated flammables are present in amounts greater than the threshold quantity of mixtures of methane, ethane, propane, isobutane, butane, isopentane, and pentane. The only regulated toxic chemical present in the flammable mixtures is H₂S which is not contained in amounts greater than the threshold quantity.

Section II – OBSERVATIONS

I conducted a walk-through of the facility on July 12, 2018, and was accompanied by TCEQ investigators and facility personnel to observe the facility process, equipment, pressure vessels, storage tanks, and overall facility operation. There was the odor of process chemicals during the walk-through which could

be attributed to nearby natural gas wells, because the wind was gusting out of the South. We all wore personal H₂S detectors and had no H₂S emissions detected. We observed only permitted emissions with the FLIR® Series GF320 infrared camera. We did observe a liquid release from a load line from a condensate tank (V-48). Ty Lange, Big Lake Gathering Foreman, attempted to tighten the bolt to stop the liquid leak. However, he had to submit a repair request for a valve replacement to stop the leak. We also observed the 50-foot exclusion boundary around the acid gas compressor marked by bollards and safety chains, which was where the April 14, 2018, incident occurred. Facility personnel informed us that anyone approaching within a 50-foot radius of the acid gas compressor must wear a supplied breathing air apparatus or self-contained breathing apparatus (SCBA), and that new acid gas compressor work procedures require a two-operator work requirement with one operator wearing a mask with supplied air or a SCBA, while the other operator stands 50 feet away as a rescuer, if needed.

40 C.F.R. Part 68 – CHEMICAL ACCIDENT PREVENTION PROVISIONS

Subpart A – General

40 C.F.R. § 68.10 Applicability – Davis Gas Processing, Inc. (Davis) is an owner and operator of a stationary source that has more than a threshold quantity of regulated flammable substances, listed in 40 C.F.R. § 68.130, in a process, and as such is subject to these Chemical Accident Prevention Provisions. Davis listed the NAICS code (211112) natural gas liquid extraction as the process in its RMP. The Davis facility process is also subject to the Occupational Safety and Health Administration (OSHA) process safety management standard, 29 C.F.R. § 1910.119. These factors make the process at the Davis facility a Program 1 subject to 40 C.F.R. § 68.10(b).

40 C.F.R. § 68.12 General Requirements – Davis re-submitted its most recent RMP five-year update on May 9, 2014. This submittal lists a covered process for Program 1. This requires the facility to analyze the worst-case release scenario for the process, complete the five-year accident history for the process and submit it in the RMP, ensure that response actions have been coordinated with local emergency planning and response agencies, and certify the RMP under the requirements of 40 C.F.R. § 68.12(b)(1) - § 68.12(b)(4).

Subpart B – Hazard Assessment

40 C.F.R. § 68.20 Applicability – Davis is an owner or operator of a stationary source subject to this subpart with a Program 1 process that must prepare an offsite consequence analysis as provided in § 68.25 of this subpart, complete the five-year accident history as provided in § 68.42, and comply with all sections in this subpart for this process.

40 C.F.R. § 68.22 Offsite Consequence Analysis Parameters – I requested documentation of the offsite consequences analysis. I reviewed the documentation provided and had a discussion with appropriate facility personnel. Davis applied the offsite consequence analysis parameters as required by this subpart.

40 C.F.R. § 68.25 Worst-Case Release Scenario Analysis – I requested to review offsite consequence analysis and supporting documentation. Davis identified and reported a worst-case release scenario analysis for the RMP covered flammable substances. I requested documentation of the worst-case release scenario analysis. I reviewed the documentation provided and had a discussion with appropriate Davis facility personnel. Davis selected its condensate tanks for the worst-case release scenario. Davis

used EPA's RMP* Comp™ to determine the distance to the endpoint in the worst-case release scenario. Davis used the proper endpoints for flammables as required by this subpart.

The facility previously provided documentation that it had coordinated with local emergency planning and response agencies by conducting a mock training exercise with various first responders on April 12, 2018.

Subpart G—Risk Management Plan

40 C.F.R. § 68.190 Updates – Davis submitted an update to its RMP on April 20, 2018. A new five-year update will be due on or before April 20, 2023, or sooner if an update is required by 40 C.F.R. § 68.190 (b)(2) through (b)(7). Updates are required no later than three years after a newly regulated substance is first listed by EPA; no later than the date on which a new regulated substance is first present in an already covered process above a threshold quantity; no later than the date on which a regulated substance is first present above a threshold quantity in a new process; within six months of a change that requires a revised PHA or hazard review; within six months of a change that requires a revised offsite consequence analysis as provided in § 68.36; and within six months of a change that alters the Program level that applied to any covered process.

40 C.F.R. § 68.195 Required Corrections – Davis must submit corrections of their RMP, if there is new accident history information, for any accidental release meeting the five-year accident history reporting criteria of § 68.42 and within six months of the release, or by the time the RMP is updated under § 68.190, whichever is earliest. Also, if the emergency contact information changes a submission to correct that information is required to be submitted within one month. Facility personnel noted that they plan to make required corrections to their RMP by October 14, 2018, which is the six-month deadline from the date of the April 14, 2018, accidental release. Required corrections due to an injury, as defined in § 68.3, make Davis subject to Program 3 eligibility requirements as stated in § 68.10(d).

Close Out Meeting – A close out meeting was held on July 17, 2018, at 11:00 a.m. to discuss areas of concern, recommendations, and the timing of the completion of the inspection report. Compliance assistance was also provided. The same people that attended the opening meeting also attended the close out meeting as identified in Table 1.

Incidents

On April 14, 2018, a facility operator was found unresponsive near the primary acid compressor and could not be revived. The operator was taken to Reagan County Hospital where he passed away the next day. The facility reported that it appeared that the operator opened a valve on the methanol injection point which released acid gas containing high levels of H₂S. An autopsy identified the cause of death as acute thiosulfate intoxication due to H₂S exposure.

On December 25, 2017, a facility operator opened a recycle valve gas shut out near the acid compressor and passed out while walking back to his truck. Another operator noticed the operator on the ground and took him to an office for transportation to the Reagan County Hospital. At the hospital, the operator who had passed out, was treated for H₂S exposure.

On September 24, 2013, a facility operator while changing amine filters received hot amine spray that caused second degree burns to the back of his left arm. The operator was transported to the Reagan County Hospital for treatment.

The areas of concern in the following section were discussed during the close out meeting.

Section III – AREAS OF CONCERN

1. Clean Air Act Section 112(r)(1), the General Duty Clause.

“The owners and operators of stationary sources producing, processing, handling or storing such substances [i.e., a chemical in 40 CFR part 68 or any other extremely hazardous substance] have a general duty [in the same manner and to the same extent as the general duty clause in the Occupational Safety and Health Act (OSHA)] to identify hazards which may result from (such) releases using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases which do occur.”

On April 14, 2018, December 25, 2017, and September 24, 2013, Davis failed to design and maintain a safe facility to prevent air releases which resulted in one fatality and two injuries, respectively.

2. 40 C.F.R. §68.195(a) Required corrections

“(a) New accident history information – For any accidental release meeting the five-year accident history reporting criteria of §68.42 and occurring after the date of publication of this final rule, the owner or operator shall submit the data required under §§68.168, 68.170(j), and 68.175(l) with respect to that accident within six months of the release or by the time the RMP is updated under §68.190, whichever is earlier.”

Davis failed to update its RMP within six months from the date of an accidental release with respect to the accidents that occurred on September 24, 2013, and December 25, 2017.

Section IV – FOLLOW UP

Davis agreed to provide incident information and worse-case scenario documents which were received and dated July 25, 2018, and incorporated into this report. On August 24, 2018, Davis provided additional information regarding the September 24, 2013, and the December 25, 2017, incidents, and noted that amine is not a RMP regulated substance, and that H₂S was not present in a process at the facility in an amount that exceeded the RMP threshold quantity. Davis concluded based on EPA guidance that neither incident was required to be reported, and therefore, its RMP was not required to be updated or corrected.

Section V – LIST OF APPENDICES

Appendix 1 – Sign in sheet from opening and closing meeting.

Meeting with DAVIS GAS PROCESSING BATTLE LAKE FACILITY
 Purpose of meeting: CAMP INSPECTION

Date: 7/12/18

	Name	Title	Representing	e-Mail	Phone
1	TONY ROBLEDO	INSPECTOR	U.S. EPA	robledo.tony@epa.gov	214-665-8182
2	Elena Hofmann	Env Mgr	Resolutions/DTP	elena.hofmann@resolutions.net	713-983-0112
3	BOBBY ROACH	HSE DIRECTOR	WTG	BROACH@WTGAS.COM	932-528-6434
4	Ty Lange	Gathering Foreman	WTG	Hlange@wtgas.com	325-650-1696
5	Harrison Rebbeck	Associate Lawyer	Esker Batts / Battle Lake	harrison.rebeck@eskerbatts.com	713-229-1567
6	TRAE FARMILL	AREA MANAGER	WTG / SOUTH PENNSYLVANIA	TFARMILL@WTGAS.COM	432-894-2612
7	Greg Dornheim	TCEQ Investigator	TCEQ	greg.dornheim@tceq.texas.gov	(325) 655-9479
8	SAVANNA WARTON	Environmental Investigator	TCEQ	SAVANNA.WARTON@tceq.texas.gov	325-655-9479
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