

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

Inspection Date(s):	09/19/17 – 9/21/2017		
Media:	Air		
Regulatory Program(s)	Clean Air Act Section 112(r) and 40 C.F.R. Part 68 Chemical Accident Prevention Provisions		
Company Name:	WTG Gas Processing LP		
Facility Name:	WTG South Permian Midstream LLC formerly WTG Benedum Joint Venture LP – Benedum Gas Plant		
Facility Physical Location:	State Highway 1555		
(city, state, zip code)	Midkiff, Texas 79755		
Mailing address:	(same as above)		
(city, state, zip code)	(same as above)		
County/Parish:	Upton		
Facility Contact:	Richard Luna	Plant Supervisor	
	rluna@wtggas.com		
FRS Number:	110025328795		
Identification/Permit Number:	O-0946		
Media Number:	RMP EPA Facility Identifier: 100000063682		
NAICS:	211112 = Natural Gas Liquid Extraction		
Personnel participating in inspection:			
Tony Robledo	US EPA/6EN-AS	Inspector	(214) 665-8182
Richard Luna	WTG Gas Processing LP	Plant Supervisor	(432) 693-2446
EPA Lead Inspector Signature/Date	 Tony Robledo		10-31-17 Date
Supervisor Signature/Date	 Samuel Tate		10/31/2017 Date

Section I - INTRODUCTION

PURPOSE OF THE INSPECTION

The United States Environmental Protection Agency (EPA) Region 6 inspector Tony Robledo arrived at the WTG South Permian Midstream LLC, formerly WTG Benedum Joint Venture LP, Benedum Gas Plant, at approximately 9:30 a.m. on September 19, 2017, for an announced inspection. I conducted an opening meeting with the following persons in attendance as identified in Table 1.

Table 1: Opening Meeting Attendance

Name	Position
Jeff Sheppard	Vice-President Engineering and Operations
Bobby Roach	Health, Safety and Environment Director
Jimmy Roach	Safety Manager
Richard Luna	Plant Superintendent
Trae Futrell	Area Manager
Elena Hofmann	Environmental Manager EOSolutions
Oscar Guerrero	Plant Foreman
Daniel Gonzales	Maintenance Supervisor
Tony Robledo	Inspector and 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. I was informed of the facility ownership name change to WTG South Permian Midstream LLC (WTG) with an effective date of August 1, 2017. I was provided a safety facility orientation by Jimmy Roach.

FACILITY DESCRIPTION

The WTG facility operates a variety of processes to produce Y-Grade petroleum products from natural gas, and consists of a 120 million cubic feet per day (MMCF/D) cryogenic plant with two skids, one with scrubbers/filters and dryers and one with Mafi Trench expander, heat exchangers and demethanizer. Off skid equipment is the propane chiller, product surge tank, product settling tank and coalescer filter, and an Ortloff system. The facility processes regulated flammable mixtures to include propane, normal butane, isobutane, ethane, and methane in excess of threshold quantity. WTG has no toxic chemicals that exceed the threshold quantity. The facility has 12 full-time employees.

Section II – OBSERVATIONS

I conducted a walk-through of the facility on September 20, 2017, accompanied by facility personnel to observe the process, equipment, storage tanks, and operation. I observed a WTG facility operator use a FLIR® Series GF320 infrared camera to verify a pressure relief valve leak at the Wilshire inlet receiver - no other spills, leaks, or air emissions were observed. I observed a facility flaring event during the walk-through with no visible emissions.

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

Subpart A – General

40 C.F.R. § 68.10 Applicability – WTG 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. WTG listed the NAICS code (211112) natural gas liquid extraction, as the process in their Risk Management Plan (RMP). The WTG 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 WTG a Program 3 subject to 40 C.F.R. § 68.10(d).

40 C.F.R. § 68.12 General Requirements – WTG re-submitted a RMP five-year update on September 13, 2013. This submittal lists a covered process for Program 3. This requires the facility to develop and implement a management system, conduct a hazard assessment, implement the prevention requirements of 40 C.F.R. § 68.65 - § 68.87, develop and implement an emergency response program, and submit the data elements from 40 C.F.R. § 68.175 in their RMP.

40 C.F.R. § 68.15 Management – WTG has a documented management system to oversee the implementation of the risk management program elements, and has assigned a qualified person or position that has the overall responsibility for the development, implementation, and integration of the risk management program elements. WTG facility personnel provided an organization chart which documents the persons responsible for implementing individual requirements of the RMP as required by this subpart.

Subpart B – Hazard Assessment

40 C.F.R. § 68.20 Applicability – WTG is an owner or operator of a stationary source subject to this subpart with a Program 3 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 WTG facility personnel. WTG applied the offsite consequence analysis parameters as required by this subpart.

40 C.F.R. § 68.25 Worst-Case Release Scenario Analysis – WTG 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 WTG facility personnel. WTG selected a natural gas liquids vessel (PV 1607) for the worst-case release scenario with a capacity of 174,445 pounds. WTG used EPA's RMP* Comp™ to calculate the distance to the endpoint in the flammables worst-case scenario. However, WTG personnel provided updated capacity information for the natural gas liquids vessel (PV 1607) that identified a capacity of 286,586 pounds which increased the distance to the endpoint in the flammable worst-case scenario. I recommended to WTG personnel that when it updates its RMP to change the facility ownership name that it also correct errors identified in the RMP, update the selected worst-case scenario information, and update the appropriate process chemicals quantity.

40 C.F.R. § 68.28 Alternative Release Scenario Analysis – WTG identified and reported an alternative release scenario for the RMP covered flammable substances. I requested documentation of the alternative release scenario analysis. I reviewed the documentation provided and had a discussion with appropriate WTG facility personnel. WTG used RMP* Comp™ to calculate the distance to the endpoint in the alternative release scenario from a natural gas liquids Y-Grade transfer pump release. WTG used the proper endpoints for flammables as required by this subpart. No mitigation systems were considered by the facility. The five-year accident history in 40 C.F.R. § 68.42, and the failure scenarios identified in 40 C.F.R. § 68.50 were considered in selecting the alternate release scenario.

40 C.F.R. § 68.30 Defining Offsite Impacts – Population – The documentation I reviewed contained a map with the circles delineating the areas covered by the offsite impact. Population numbers were verified with appropriate mapping software. WTG reported this number as zero.

40 C.F.R. § 68.33 Defining Offsite Impacts – Environment – The maps I reviewed identified the potential offsite impacts and identified public receptors. No public receptors were identified within the radius of the endpoints.

40 C.F.R. § 68.36 Review and Update – WTG submitted a change to its RMP five-year accident history on September 13, 2017, by adding an accident which occurred on September 21, 2015. WTG also submitted changes to its registration information in its RMP with two entries on September 14, 2017. The most recent RMP submittal identified process chemicals of ethane, propane, methane, butane, and flammable mixtures. WTG personnel reported increases to its process chemical – flammable mixtures from 174,445 pounds to 286,586 pounds and had six-months to submit a revised RMP to reflect that increase. WTG provided an explanation of specific gravity and the variations in weight of condensates and natural gas liquids to explain the increase. WTG claimed there has been no change to the process or change to the quantities stored or handled at the Benedum facility. WTG reported that the 2013 RMP submittal used a worst-case release scenario based on a conversion to pounds of 232,800 lbs. and 80% of that inventory as 174,445 lbs. WTG further reported that in 2017, with new natural gas liquid product analysis, the conversation to pounds of 286,586 lbs. and 80% of that inventory as 229,269 lbs.

40 C.F.R. § 68.39 Documentation – I reviewed documentation for the worst-case scenarios that contained a description of the vessel or pipeline and substance selected as worst case, assumptions and parameters used, and the rationale for selection. The documentation also included the anticipated effect of the controls and mitigation on the release quantity and rate. WTG documentation of the alternative release scenarios included a description of the scenario identified, assumptions and parameters used, and the rationale for the selection of the specific scenario. The documentation of estimated quantity released, release rate, duration of release, methodology used to determine distance to endpoints, and data used to estimate population and environmental receptors potentially affected was included in the reviewed materials during this inspection.

40 C.F.R. § 68.42 Five Year Accident History – WTG reported one accident dated September 21, 2015, (compressor fire and explosion) for the five-year accident history in its corrected RMP which was submitted on September 13, 2017. WTG also reported accidents on June 5, 2015 (heater ruptured causing a fire), and August 8, 2017 (fire caused by welding of a new heater during construction), that were not included in its five-year accident history. WTG claims that these two accidents did not result in any deaths, injuries, or significant property damage onsite, or known offsite deaths, injuries, evacuations, sheltering in place, property damage, or environmental damage, and therefore not included in its five-year accident history.

Subpart D – Program 3 Prevention Program

40 C.F.R. § 68.65 Process Safety Information – WTG indicated that process safety information is managed and maintain in a written plan. I reviewed process safety information provided by WTG personnel. I also reviewed facility material safety data sheets, safety data sheets, block flow diagrams, process flow diagrams, and piping and instrumentation diagrams.

40 C.F.R. § 68.67 Process Hazard Analysis – I reviewed WTG's Process Hazard Analysis (PHA) process and procedures. WTG used the hazard and operability study (HAZOP) analysis technique to conduct its PHAs. WTG reported its initial PHA for all its processes and conducted an updated and revalidated PHA for each process within a five-year cycle. I observed WTG's two latest PHA's dated June 18, 2013, and its most recent PHA dated June 20, 2016. WTG provided a list of 18 action items dated September 13, 2017, based on its findings from its most recent PHA. Of those 18 action items 10 items were closed/completed, and 8 were still open. WTG later claimed that this action item list was for its compliance audit report, and that its most recent PHA had no action items. WTG personnel stated that it plans to use a third-party to conduct its next PHA.

40 C.F.R. § 68.69 Operating Procedures – WTG used a paper and electronic document management system to maintain its operating procedures. I reviewed and discussed with WTG personnel a variety of operating procedures which included the following systems: flare, expander, amine, inlet gas dehydration, and cryogenic plant. I observed that the cryogenic plant did not have steps for each operating phase. WTG personnel stated that this system is simply an "on/off" system, and that temporary procedures were not appropriate. I observed that WTG had identified in its most recent PHA/Audit six operating procedure actions items with two still not yet completed. WTG personnel were unable to provide documentation that operating procedures were certified annually. I observed that WTG had identified the need to ensure the annual certification of operating procedures in its most recent PHA/Audit. WTG later provided one annual certification for its operating procedures dated September 14, 2017.

40 C.F.R. § 68.71 Training – I discussed with WTG personnel their training program to include training for new employees and how they insure that the three-year refresher training requirements are met. WTG uses an online training tool from Energy World Net (EWN), computer based training, and supervisor directed training to train its operators. I requested and received the training records for three full-time employee operators who work at the facility. I observed some recent training records, but the training records did not include the required three-year refresher training as required by this subpart.

40 C.F.R. § 68.73 Mechanical Integrity – I requested and was provided a procedure used to maintain the ongoing integrity of process equipment. I discussed mechanical integrity with WTG personnel. I requested performed inspections and tests for the natural gas liquids vessel (PV 1607), and the propane storage tank (PV 23). WTG personnel provided a successful corrosion/erosion survey test dated September 14, 2017 for this vessel and tank. WTG claimed that the result of this test showed no deterioration in wall thickness of the product tank since its installation in 1974, and therefore it had been appropriately maintained. WTG personnel were unable to provide previous tests on this vessel and tank based on a frequency following recognized and generally accepted good engineering practices, to include the American Petroleum Institute (API) standards, specifically *API 510, Pressure Vessel Inspection Code: In-service Inspection, Rating, Repair, and Alteration*, 10th Edition, May 2014. I observed that WTG had identified in its most recent PHA/Audit that its mechanical integrity program needed to be updated and documented.

40 C.F.R. § 68.75 Management of Change (MOC) – I reviewed WTG’s written procedure for MOC and discussed the MOC process with WTG personnel to include one operator. I reviewed three specific MOC documents which included: MOC # 139 (residue compressors dated October 30, 2015), MOC #137 (flare project dated November 6, 2016), and MOC # 142 (HMO Heater new addition dated May 5, 2017). WTG personnel stated that they use an electronic system called Comprehensive Operation Maintenance Environmental Process Library and Information (COMEPLI) to track MOCs.

40 C.F.R. § 68.77 Pre-startup Review – I reviewed WTG’s written Pre-Startup Safety Review (PSSR) procedures. WTG’s personnel stated that a new PSSR form was initiated on January 2, 2017.

40 C.F.R. § 68.79 Compliance Audits – I was provided and reviewed two certified RMP compliance audits signed and dated in June 18, 2013, and June 20, 2016. WTG chose to conduct its PHA and compliance audits at the same time and incorporated its findings into one report. These compliance audits evaluated compliance with the provisions of this subpart, and were conducted by at least one person knowledgeable in the process. WTG personnel provided documentation that identified 18 deficiency action items, but only 10 deficiencies had been corrected, leaving 8 deficiencies that had not yet been addressed. WTG later provided documentation that one action item, which was one annual certification for its operating procedures, was completed on September 14, 2017.

40 C.F.R. § 68.81 Incident Investigation – WTG personnel provided three separate internal incident reports on accidents which occurred on the following dates: June 5, 2015, September 21, 2015, and August 8, 2017. The incident investigation for these three accidents met the requirements of this subpart. However, WTG failed to provide an external incident report for the September 21, 2015, accident conducted by a third-party which it claimed contained confidential business information. I also reviewed WTG’s completed OSHA form 300 of work related Injuries and illness for the past three years, and determined that none of the injuries reported were the result of an accidental release.

40 C.F.R. § 68.83 Employee Participation – I reviewed a written plan of action regarding the implementation of employee participation. I discussed this document and employee participation with WTG personnel. I also interviewed one full-time operator. I did observe that the most recent PHA/Audit had not been provided to all employees. WTG later claimed that PHA’s include a cross section of employees, and that the next PHA will include facility operators.

40 C.F.R. § 68.85 Hot Work Permit – I reviewed hot work permits that had been issued by WTG prior to this inspection. The permits met the requirements of this subpart.

40 C.F.R. § 68.87 Contractors – I discussed with WTG personnel the contractor selection process. This discussion included taking into account the contractor’s safety performance, safety programs, training, and qualifications. WTG personnel stated that they use online computer information from EWN to assist in its contractor evaluation process, and that contractors it selects must have a high rating. WTG documents that contractors have site-specific safety training.

Subpart E – Emergency Response

40 C.F.R. § 68.90 Applicability – WTG is not designated as a “first responder” in case of an accidental release of a regulated substance, and its employees will not respond to releases and fires. WTG reported that it has coordinated response actions with the local fire department, and appropriate mechanisms are in place to notify emergency responders when there is a need for a response.

40 C.F.R. § 68.95 Emergency Response Program – I was provided, reviewed, and discussed with WTG personnel their Emergency Response Plan which met the requirements of this subpart. WTG plans to conduct a Mock Line Strike exercise early next year in coordination with local emergency response personnel.

Subpart G—Risk Management Plan

40 C.F.R. § 68.190 Updates – WTG submitted its five-year update on September 13, 2013. A new five-year update will be due on or before September 13, 2018, 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 – WTG will have to 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 has to be submitted within one month. When WTG submitted a change to its RMP five-year accident history on September 13, 2017, by adding an accident which occurred on September 21, 2015, it did not do so within six months of the accident as required by this subpart.

Close Out Meeting – A close out meeting was held on September 21, 2017, at 10:00 a.m. to discuss areas of concern, recommendations, and the timing of the completion of the inspection report. The following persons attended as identified in Table 2.

Table 2: Close Out Meeting Attendance

Name	Position
Jeff Sheppard	Vice-President Engineering and Operations
Bobby Roach	Health, Safety and Environment Director
Jimmy Roach	Safety Manager
Richard Luna	Plant Superintendent
Trae Futrell	Area Manager
Elena Hofmann	Environmental Manager EOSolutions
Tony Robledo	Inspector and Enforcement Officer EPA Region 6

The areas of concern in the following section were discussed during the close out meeting which included compliance assistance and the potential enforcement process.

Section III – AREA OF CONCERN

1. 40 C.F.R. § 68.36(b) Review and update

“(b) If changes in processes, quantities stored or handled, or any other aspect of the stationary source might reasonably be expected to increase or decrease the distance to the endpoint by a factor of two or more, the owner or operator shall complete a revised analysis within six months of the change and submit a revised risk management plan as provided in §68.190.”

WTG failed to submit a revised RMP within six months of a change based on an increase of process chemicals stored at the facility.

2. 40 C.F.R. § 68.67(e) Process hazardous analysis

“(e) The owner or operator shall establish a system to promptly address the team's findings and recommendations; assure that the recommendations are resolved in a timely manner and that the resolution is documented; document what actions are to be taken; complete actions as soon as possible; develop a written schedule of when these actions are to be completed; communicate the actions to operating, maintenance and other employees whose work assignments are in the process and who may be affected by the recommendations or actions.”

WTG was unable to resolve PHA findings in a timely manner.

3. 40 C.F.R. § 68.69(a)(1)(i)(ii)(iii)(iv)(v)(vi)(vii) Operating procedures

“(a) The owner or operator shall develop and implement written operating procedures that provide clear instructions for safely conducting activities involved in each covered process consistent with the process safety information and shall address at least the following elements. (1) Steps for each operating phase: (i) Initial startup; (ii) Normal operations; (iii) Temporary operations; (iv) Emergency shutdown including the conditions under which emergency shutdown is required, and the assignment of shutdown responsibility to qualified operators to ensure that emergency shutdown is executed in a safe and timely manner. (v) Emergency operations; (vi) Normal shutdown; and, (vii) Startup following a turnaround, or after an emergency shutdown.”

WTG was unable to provide any of the steps for each operating phase of the cryogenic plant as required by this subpart.

4. 40 C.F.R. § 68.69(c) Operating procedures

“(c) The operating procedures shall be reviewed as often as necessary to assure that they reflect current operating practice, including changes that result from changes in process chemicals, technology, and equipment, and changes to stationary sources. The owner or operator shall certify annually that these operating procedures are current and accurate.”

WTG was unable to provide documentation that its operating procedures had been certified annually.

5. 40 C.F.R. § 68.71(b) Training

"(b) Refresher training. Refresher training shall be provided at least every three years, and more often if necessary, to each employee involved in operating a process to assure that the employee understands and adheres to the current operating procedures of the process. The owner or operator, in consultation with the employees involved in operating the process, shall determine the appropriate frequency of refresher training."

WTG was unable to provide documentation that its operators had been provided refresher training at least every three years.

6. 40 C.F.R. § 68.73(d)(3) Mechanical integrity

"(3) The frequency of inspections and tests of process equipment shall be consistent with applicable manufacturers' recommendations and good engineering practices, and more frequently if determined to be necessary by prior operating experience."

WTG was unable to provide inspections and tests for a process vessel and a process storage tank based on a frequency as determined by good engineering practices.

7. 40 C.F.R. § 68.79(d) Compliance audits

"(d) The owner or operator shall promptly determine and document an appropriate response to each of the findings of the compliance audit, and document that deficiencies have been corrected."

WTG has unable to provide compliance audit documentation that all deficiencies had been corrected.

8. 40 C.F.R. § 68.83(b) Employee participation

"(b) The owner or operator shall consult with employees and their representatives on the conduct and development of process hazards analyses and on the development of the other elements of process safety management in this rule."

WTG was unable to provide documentation that it had notified or consulted with it employees on its most recent PHA.

9. 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 April 9, 2004, 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."

WTG, regarding its reported September 21, 2015, accident which included a release, failed to make the required update and correction in its RMP within six months of the release.

10. 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 have a general duty, in the same manner and to the same extent as section 654, title 29 of the United States Code, 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 release which do occur."

WTG failed to identify hazards and maintain a safe facility based on accidents that occurred on June 5, 2015, September 21, 2015, and August 8, 2017.

Section IV – FOLLOW UP

WTG provided additional information regarding the leaking pressure relief valve at the Wilshire inlet receiver, which had previously been tagged for repair, that included a job dispatch form, and a valve (repair) report dated October 5, 2017. WTG also provided additional information regarding the flaring event on September 20, 2017, that included a Texas Commission on Environmental Quality reportable event/activity notification/reporting form. WTG provided additional information contained in COMEPLI to track annual operating procedure certifications, operator training, training certifications, incidents, and PHA action items.

Section V – LIST OF APPENDICES

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



Sign In Sheet

Purpose: RMP INSPECTION

Date: 9-19-17

Place/Room: CONFERENCE ROOM

Time: 9:30 a.m.

	PRINT NAME	ORGANIZATION	TITLE	PHONE	EMAIL
✓	1. TONY ROBLEDO	U.S. EPA	Inspector	214-665-8182	robledo.tony@epa.gov
	2. DANIEL GONZALEZ	WTG Benedum	Merint. Supv	432-488-6091	dgonzalez@wtg.com
	3. OSCAR GUERRERO	WTG Benedum	Plant foreman	432-634-6732	oguerrero@wtg-benedum.com
✓	4. ELENA HOFMANN	Resolutions/WTG	Envr Manager	713-208-1932	elena.hofmann@resolutions.net
✓	5. TRAE FUTRELL	WTG Benedum	AREA manager	432-594-2612	TFUTRELL@WTGGAS.COM
✓	6. RICHARD LUNA	WTG Benedum	Plant Superintendent	432-664-0134	RLuna@WTGBenedum.com
✓	7. JIMMY ROACH	WTG	Safety Manager	432-967-9429	JRoach@wtggas.com
✓	8. BOBBY ROACH	WTG	HSE DR.	432-528-6484	bRoach@wtggas.com
✓	9. JEFF SHEPPARD	WTG	VP ENG & OPERATIONS	325-660-3734	jstieppard@wtggas.com
	10.				
	11.				
	12.	✓ = attended closing briefing			9-21-17
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