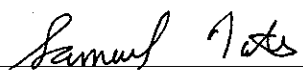


**Region 6 Compliance Assurance and Enforcement Division
INSPECTION REPORT**

Inspection Date(s):	10/22/2018 – 10/23/2018		
Media:	Air		
Regulatory Program(s)	Clean Air Act Section 112(r) and 40 C.F.R. Part 68 Chemical Accident Prevention Provisions		
Company Name:	Mustang Gas Products LLC		
Facility Name:	Ringwood Gas Plant		
Facility Physical Location:	266454 E. County Road 47		
(city, state, zip code)	Ringwood, Oklahoma 73768		
Mailing address:	(same as above)		
(city, state, zip code)	(same as above)		
County/Parish:	Major		
Facility Contact:	Kent Sales	Environmental Health & Safety Supervisor	
	Kent.Sales@MustangFuel.com		
FRS Number:	110000752025		
Identification/Permit Number:	Air Title V Permit No: 2011-046-C (M-1)		
Media Number:	RMP EPA Facility Identifier: 100000064299		
NAICS:	211112 = Natural Gas Liquid Extraction		
Personnel participating in inspection:			
Tony Robledo	US EPA/6EN-AS	Inspector	(214) 665-8182
Kent Sales	Mustang Gas Products LLC	Environmental Health & Safety Supervisor	(580) 747-7475
EPA Lead Inspector Signature/Date			12-6-18
	Tony Robledo		Date
Supervisor Signature/Date			12/6/2018
	Samuel Tate		Date

Section I - INTRODUCTION

PURPOSE OF THE INSPECTION

I, United States Environmental Protection Agency (EPA) Region 6 inspector Tony Robledo, arrived at the Mustang Gas Products LLC (Mustang), Ringwood Gas Plant, at approximately 9:00 a.m. on October 22, 2018, 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
Kent Sales	Mustang Environmental Health & Safety Supervisor
Sunni Stephenson	Mustang Environmental Health & Safety Compliance Coordinator
Daniel Kapke	Mustang Pipeline Operator
Tony Robledo	EPA Inspector

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.

FACILITY DESCRIPTION

The Ringwood Gas Plant is a natural gas processing plant which extracts natural gas liquids from inlet gas. Products resulting from the facility's process include natural gas liquids and pipeline quality natural gas. High pressure natural gas enters the facility through inlet separators to the cryogenic process then to re-compressor number 17. In the cryogenic process, gas is first dried in the mole sieve dehydrator and then sent through a series of temperature and pressure changes where gas and liquid products are separated. The mole sieve dehydrators absorb water from the natural gas, but not hydrocarbons. In the lean oil process, gas is first dried in the triethylene glycol dehydrator and then sent through the lean oil absorber where natural gas liquids are removed from the gas stream. The resulting rich oil is heated to remove natural gas liquid products. The liquid product from both the cryogenic plant and the lean oil plant goes through an amine treater to remove carbon dioxide and any trace amount of sulfur and the product is sent to the product sales pipelines. The off-gases from the amine unit are sent to the flare. The Menos Booster Station is a gathering and boosting station located adjacent to the Ringwood Gas Plant which includes compressor engines, a triethylene glycol dehydrator, glycol reboiler, and condensate storage tanks. Both the Menos Booster Station and the Ringwood Gas Plant are included in the facility's Title V permit. There are no listed toxic substances, only flammable substances, which exceed their respective threshold quantities stored at this facility. The facility produces approximately 9 million cubic feet per day of natural gas. The facility has four full-time employees.

Section II – OBSERVATIONS

I conducted a walk-through of the facility on October 22, 2018, accompanied by Mustang personnel to observe the facility process, equipment, storage tanks, and operation. I observed no spills, leaks, or air emissions with the FLIR™ Series GF320 infrared camera.

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

Subpart A – General

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

40 C.F.R. § 68.12 General Requirements – Mustang re-submitted a RMP five-year update on June 8, 2016. 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 – Mustang has an established 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. Mustang 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 – Mustang 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 Mustang facility personnel. Mustang applied the offsite consequence analysis parameters as required by this subpart.

40 C.F.R. § 68.25 Worst-Case Release Scenario Analysis – Mustang 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 Mustang facility personnel. Mustang selected their only natural gas liquid storage tank (numbered 9) for the worst-case release scenario. Mustang used EPA's RMP*Comp to determine the distance to the endpoint in the worst-case release scenario. Mustang used the proper endpoints for flammables as required by this subpart.

40 C.F.R. § 68.28 Alternative Release Scenario Analysis – Mustang 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 Mustang facility personnel. Mustang selected three condensate tanks as its alternative

release scenario. Mustang used EPA's RMP*Comp to calculate the distance to the endpoint in the flammables alternative release scenario. Mustang 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. Mustang reported these numbers to two significant figures.

40 C.F.R. § 68.33 Defining Offsite Impacts – Environment – The maps I reviewed identified the potential offsite impacts and any identified public receptors.

40 C.F.R. § 68.36 Review and Update – Mustang reviewed and updated its RMP on June 8, 2016. This RMP submittal identified process chemicals of butane, ethane, isopentane, propane, pentane, isobutane, and flammable mixtures. Mustang reported no changes, to include any increases or decreases, of its process chemicals.

40 C.F.R. § 68.39 Documentation – I reviewed documentation for the worst-case scenario 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. Mustang's documentation of the alternative release scenario 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 – Mustang reported no accidents for the five-year accident history in its RMP re-submittal, and no accidents were reported up to the date of this inspection.

Subpart D – Program 3 Prevention Program

40 C.F.R. § 68.65 Process Safety Information – Mustang indicated that process safety information is managed using a hardcopy system. I reviewed various process safety information for the facility. I also reviewed facility safety data sheets, block flow diagrams, process flow diagrams, and piping and instrumentation diagrams.

40 C.F.R. § 68.67 Process Hazard Analysis (PHA) – I reviewed Mustang's PHA process and procedures. Mustang used the what-if hazard analysis technique to conduct its PHA's. I reviewed Mustang's most recent PHA conducted on February 10-11, 2016. Mustang was unable to provide and locate its 2012 PHA and action items list, and its PHA action item list for the PHA conducted on February 10-11, 2016. On November 6, 2018, I received PHA documents which included the action items list for the PHA conducted on February 10-11, 2016, which was updated on November 5, 2018, and identified five action items that had not been closed or addressed in a timely manner.

40 C.F.R. § 68.69 Operating Procedures – Mustang used a hardcopy document management system to maintain its operating procedures. I reviewed and discussed with Mustang personnel randomly selected operating procedures and lockout/tagout procedures. Mustang provided its most recent operating

procedures annual certification for 2018 to verify that operating procedures were current, accurate, and reviewed as often as necessary. On November 1, 2018, I received and reviewed the annual certifications for 2014, 2015, 2016, and 2017.

40 C.F.R. § 68.71 Training – I discussed with Mustang personnel their training program to include training for new employees and how they insure that the three-year refresher training requirements are met. I requested and received the training records for three full-time employee operators who work at the facility. I received and reviewed these three training records. One training record for one operator was missing refresher training conducted in 2015. On November 19, 2018, I received the missing refresher training conducted in 2015. I recommended that the training records include a numeric score for tests taken and that each operator have his own electronic training record file.

40 C.F.R. § 68.73 Mechanical Integrity – I requested and was provided a procedure used to maintain the ongoing integrity of process equipment. Mustang indicated that the mechanical integrity of its process equipment is managed using a hardcopy system. I discussed mechanical integrity with Mustang personnel. Mustang was unable to provide for the natural gas liquid storage tank (numbered 9) and five condensate tanks (EU-TK-2, EU-TK-9, EU-TK-23, EU-TK-24, EU-TK-25), the frequency of the inspections and testing documents performed on these tanks to include the date of the inspection or test, the name of the person who performed the inspection or test, the identification number of the tank on which the inspection or test was performed, a description of the inspection or test performed, and the results of the inspection or test. Mustang was also unable to provide a complete list of out of date inspections for process equipment.

40 C.F.R. § 68.75 Management of Change (MOC) – I reviewed Mustang's written procedure for MOC and discussed the MOC process with Mustang personnel. Mustang had completed one MOC within the last five years which was identified as MOC (15-1). Mustang, at the time of the inspection, was unable to provide the piping and instrumentation diagram (P&ID), which was required to be reviewed and updated as part of MOC (15-1). On November 1, 2018, Mustang provide the appropriate P&ID.

40 C.F.R. § 68.77 Pre-startup Review – I reviewed Mustang's written Pre-Startup Safety Review (PSSR) procedures. The standard operating procedures for PSSR were final documents.

40 C.F.R. § 68.79 Compliance Audits – Mustang provided a hardcopy of the two most recent compliance audits which did not include the findings and documentation that deficiencies had been corrected. On November 18, 2018, I was provided the audit and findings for 2014 and 2017. The compliance audits evaluated compliance with the provisions of this subpart and were conducted by at least one person knowledgeable in the process. An action plan of the findings of the audits was developed. The audit action plan consisted of actual completion dates to identify that recommendations had been completed.

40 C.F.R. § 68.81 Incident Investigation – I reviewed Mustang's completed OSHA form 300 of work related injuries and illness for the past five years and determined that none of the injuries reported were the result of an accidental release. Mustang reported no incidents within the past five years from any accidental releases.

40 C.F.R. § 68.83 Employee Participation – I reviewed a written plan of action regarding the implementation of employee participation. This plan was to insure consultation with employees on the conduct and development of process hazards analyses; the development of the other elements of process safety management; to provide the employees with access to process hazard analyses; and to provide all other information required to be developed under this rule. I discussed this document and employee participation with Mustang personnel. I also interviewed one full-time operator.

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

40 C.F.R. § 68.87 Contractors – I discussed with Mustang personnel the contractor selection process. This discussion included considering the contractor's safety performance, safety programs, training, and qualifications. Mustang personnel stated that they use an internal review process to assist in its contractor evaluation process and that contractors it selects must have a high rating. Mustang documents that contractors have site-specific safety training and conducts a post-evaluation once contractor work is completed.

Subpart E – Emergency Response

40 C.F.R. § 68.90 Applicability – Mustang is not designated as a "first responder" in case of an accidental release of a regulated substance.

40 C.F.R. § 68.95 Emergency Response Program – I was provided, reviewed, and discussed with Mustang personnel their emergency response plan. Mustang was unable to document that its facility was included in the community emergency response plan, that it had coordinated response actions with the local fire department, and that it had inspected all its onsite fire extinguishers. On October 29, 2018, Mustang provided an Emergency Planning and Community Right-to-Know Act (EPCRA) Tier II report which is submitted to ODEQ who in turn distributes it to the Local Emergency Planning Committee and local fire departments. The EPCRA Tier II report contains information about chemicals stored at the facility and associated physical and health hazards. On November 1, 2018, Mustang provided documentation that all its onsite fire extinguishers and been inspected from January to October 2018.

Subpart G—Risk Management Plan

40 C.F.R. § 68.190 Updates – Mustang submitted its most recent plan as a five-year update on June 8, 2016. A new five-year update will be due on or before June 8, 2021, 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 – Mustang 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 must be submitted within one month.

Close Out Meeting – A close out meeting was held on October 23, 2018, at 11:00 a.m. to discuss areas of concern, due dates for requested information, 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
Kent Sales	Mustang Environmental Health & Safety Supervisor
Tony Robledo	Inspector & 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 – AREAS OF CONCERN

1. 40 C.F.R. § 68.67(e) Process hazard 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.”

Mustang failed to promptly address five of the team's findings and recommendation in a timely manner from the PHA conducted on February 10-11, 2016.

2. 40 C.F.R. § 68.73(d)(1) Mechanical integrity

“(d) Inspection and testing. (1) Inspections and tests shall be performed on process equipment.”

Mustang failed to conduct inspection and testing on the natural gas liquid storage tank (numbered 9) and the five condensate tanks (EU-TK-2, EU-TK-9, EU-TK-23, EU-TK-24, EU-TK-25).

3. 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.”

Mustang failed to provide the frequency of inspection and tests on the natural gas liquid storage tank (numbered 9) and the five condensate tanks (EU-TK-2, EU-TK-9, EU-TK-23, EU-TK-24, EU-TK-25).

4. 40 C.F.R. § 68.73(d)(4) Mechanical integrity

“(4) The owner or operator shall document each inspection and test that has been performed on process equipment. The documentation shall 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, a description of the inspection or test performed, and the results of the inspection or test.”

Mustang failed to provide documentation of inspection and tests on the natural gas liquid storage tank (numbered 9) and the five condensate tanks (EU-TK-2, EU-TK-9, EU-TK-23, EU-TK-24, EU-TK-25).

Section IV – FOLLOW UP

Mustang agreed and did provide additional documentation and information by November 19, 2018.

Section V – LIST OF APPENDICES

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

Date: 10/22/18

Meeting with RINGWOOD GAS PLANT
 Purpose of meeting: EPA RMP 112r Inspection

	Name	Title	Representing	e-Mail	Phone
1	Tony Robledo	INSPECTOR	U.S. EPA	robledo.tony@epa.gov	214-665-8182
2	Kent Sales	EHS Supervisor	Mustang	Kent.sales@mustangfuel.com	580-747-7475
3	Daniel Kapke	Pipeline Operator	Mustang	daniel.kapke@mustangfuel.com	(580) 541-1267
4	Sunny Stephenson	EHS Compliance Coordinator	Mustang	Sunny.Stephenson@mustangfuel.com	405 748-9488
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V= close meeting 10/23/18

