

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

J-W GATHERING COMPANY

AI # 32031

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

\* Settlement Tracking No.  
\* SA-AE-17-0023  
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\* Enforcement Tracking No.  
\* AE-CN-13-01155  
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SETTLEMENT

The following Settlement is hereby agreed to between J-W Gathering Company (“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”).

I

Respondent is a corporation that owns and/or operates a natural gas processing facility located in Desoto Parish, Louisiana (“the Facility”).

II

On September 11, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-13-01155, which was based upon the following findings of fact:

“The Respondent owns and/or operates the Gravel Point Facility (the Facility), a natural gas processing plant, located 3.2 miles northeast of Frierson in DeSoto Parish, Louisiana. The Facility operates or has operated under the authority of the following Air Permits:

PERMIT	ISSUE DATE	EFFECTIVE EXPIRATION DATE
0760-00102-08	6/27/2012	-
0760-00102-09	5/27/2014	-

On or about September 11, 2013, a Chemical Action Prevention Provisions (CAPP) 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 course of the inspection:

- A. The facility's operating procedures failed to address emergency shutdowns, conditions requiring an emergency shutdown and assignment of shutdown responsibility to qualified operators. Each failure to develop and implement written operating procedures that address emergency shutdowns, conditions under which emergency shutdown is required and to ensure that qualified operators execute shutdowns in a safe and timely manner is a violation of 40 CFR 68.69(a)(1)(iv), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A; La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. The facility's operating procedures failed to address the consequences of deviations and steps required to correct or avoid deviations. Each failure to develop and implement written operating procedures that address the consequences of deviations and steps to correct or avoid deviations is a violation of 40 CFR 68.69(a)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A; La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The inspector noted that this violation was corrected.
- C. The facility's operating procedures failed to contain safety and health considerations. None of the facility's procedures contained safety and health considerations. Each failure to develop and implement written operating procedures that provide clear instructions for safety

and health considerations is a violation of 40 CFR 68.69(a)(3), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A; La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The inspector noted that this violation was corrected.

- D. The Facility failed to annually certify that the procedures were current and accurate; the Facility had no annual certification for any year of operation. Each failure to annually certify that operating procedures are current and accurate is a violation of 40 CFR 68.69(c), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A; La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- E. The inspector noted that the frequency of inspections and tests were not consistent with manufacturer's recommendations and good engineering practices. Five (5) Fisher controllers tied to Pressure Indicator (PI) and Temperature Transmitter (TI) that alarm on the PLC (a logic board) and shut a valve which controls flow to stop the process had not been tested or included in the Mechanical Integrity (MI) program. However, they have now been included as an item in the Mechanical Integrity program. Each failure to assure that the frequency of tests are consistent with good engineering practices is a violation of 40 CFR 68.73(d)(3), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A; La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- F. The Facility became subject to Chemical Accident Prevention Program (CAPP) requirements in 2007, and registered for CAPP in 2011. Failure to register within sixty (60) days after the date the Facility became subject to CAPP is a violation of LAC 33:III.5911.A.2; La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The Facility could not provide an exact date when it became subject to CAPP."

III

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 EIGHT THOUSAND THIRTY-ONE AND 32/100 DOLLARS (\$8,031.32) of which Five Hundred Thirty-One and 32/100 Dollars (\$531.32) 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.

## IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in DeSoto 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 (Exhibit A).

XI

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.

**J-W Gathering Company**

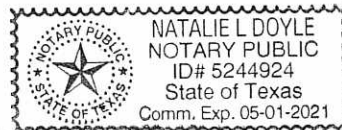
BY: *R. Davis*  
(Signature)

Richard S. Davis  
(Printed)

TITLE: vice president-finance

THUS DONE AND SIGNED in duplicate original before me this 26<sup>th</sup> day of July, 20 17, at Addicks, TX.

*Natalie L Doyle*  
NOTARY PUBLIC (ID # 5244924)



(stamped or printed)

**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY**

Chuck Carr Brown, Ph.D., Secretary

BY: *[Signature]*

Lourdes Iturralde, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 20<sup>th</sup> day of Oct, 20 17, at Baton Rouge, Louisiana.

*[Signature]*  
NOTARY PUBLIC (ID # 19181)

Perry Theriot  
(stamped or printed)

Approved: *[Signature]*  
Lourdes Iturralde, Assistant Secretary