

**ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY**

IN THE MATTER OF:

AFIN: 32-00563

LIS No. 21-099

FLYING PIG PIPELINE, L.P.
– HOT LINK COMPRESSOR STATION
600 WISH STREET
PLEASANT PLAINS, ARKANSAS 72568

CONSENT ADMINISTRATIVE ORDER

This Consent Administrative Order (CAO) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and the federal regulations issued thereunder. In addition, this CAO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (the Act), Ark. Code Ann. § 8-4-101 *et seq.*, Arkansas Pollution Control and Ecology Commission (APC&EC) Regulation 7, APC&EC Regulation 8, APC&EC Regulation 18, and APC&EC Regulation 19.

The issues herein having been settled by agreement of Flying Pig Pipeline, L.P. – Hot Link Compressor Station (Respondent) and the Director of the Division of Environmental Quality¹ (DEQ), it is hereby agreed and stipulated that the following FINDINGS OF FACT and ORDER AND AGREEMENT be entered.

FINDINGS OF FACT

1. Respondent owns and operates a natural gas compressor station located at 600 Wish Street in Pleasant Plains, Independence County, Arkansas.

¹ Pursuant to Act 910 of 2019, the Arkansas Transformation and Efficiencies Act, the former Arkansas Department of Environmental Quality is now the Division of Environmental Quality in the newly created Arkansas Department of Energy and Environment.

2. The Air Permit referenced in this CAO is identified by Tracking No. 1868-AGP-278, which indicates authority to operate under the General Air Permit for Minor Source Natural Gas Compression Stations (the Permit). The Permit was issued on June 8, 2011. The Permit expired on December 13, 2020, and was voided on January 20, 2021.

3. Ark. Code Ann. § 8-4-217(a)(3) provides:

(a) It shall be unlawful for any person to:

...

(3) Violate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by the Division of Environmental Quality;

4. Ark. Code Ann. § 8-4-103(c)(1)(A) provides, “Any person that violates any provision of this chapter and rules, permits, or plans issued pursuant to this chapter may be assessed an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation.”

5. Pursuant to Ark. Code Ann. § 8-4-103(c)(1)(B) as referenced by Ark. Code Ann. § 8-4-304, “Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessment.”

6. APC&EC Regulation 18.301(B)(3) states that except as provided for by law or regulation, the following stationary sources are required to obtain a permit under this chapter regardless of emissions:

...

(3) Any stationary source subject to the requirements of a rule promulgated under 40 C.F.R. Part 60, Part 61, or Part 63, as of June 27, 2008, except for:

(a) 40 C.F.R. Part 60, Subpart AAA (Wood Stoves);

- (b) 40 C.F.R. Part 60, Subpart JJJ (Petroleum Dry Cleaners);
- (c) 40 C.F.R. Part 63, Subpart M (Perchloroethylene Dry Cleaners);
- (d) 40 C.F.R. Part 63, Subpart Q (Industrial Cooling Towers);
- (e) Sources subject to 40 C.F.R. Part 60, Subpart Dc (Steam Generating Units) which only burn gas;
- (f) 40 C.F.R. Part 63, Subpart ZZZZ (Stationary Reciprocating Internal Combustion Engines) for non-Part 70 sources (minor sources);
- (g) 40 C.F.R. Part 63, Subpart WWWW (Hospital Ethylene Oxide Sterilizers);
- (h) 40 C.F.R. Part 63, Subpart CCCCCC (Gasoline Dispensing Facilities);
- (i) 40 C.F.R. Part 60, Subpart IIII (Stationary Compression Ignition Internal Combustion Engines) for engines with a displacement of less than 30 liters per cylinder;
- (j) 40 C.F.R. Part 60, Subpart JJJJ (Stationary Spark Ignition Internal Combustion Engines);
- (k) 40 C.F.R. Part 63, Subpart HHHHHH (Paint Stripping and Miscellaneous Surface Coating Operations at Area Sources);

7. APC&EC Regulation 18.310(B) states:

“Sources that would qualify for a general permit must apply to the Department for coverage under the terms of the general permit or must apply for a permit consistent with this chapter. The Department may grant a source's request for authorization to operate under a general permit, but such a grant shall not be a final permit action for purposes of

judicial review. The Department will give notice of all applications for general permits pursuant to Ark. Code Ann. § 8-4-203(c).”

8. Respondent’s facility and affected sources are subject to the provisions of 40 C.F.R., Part 63, Subpart HH - National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities.

9. On May 21, 2020, DEQ sent Respondent a letter stating that the renewal for Minor Source General Air Permit for Natural Gas Compression Stations had been issued. The letter stated that Respondent was required to submit a Notice of Intent to DEQ for coverage under the new permit by September 14, 2020. The letter also stated that the current permit would expire on December 13, 2020.

10. Respondent failed to submit a Notice of Intent to DEQ for coverage under the new permit by September 14, 2020. On January 20, 2021, DEQ sent Respondent a letter stating that the Department had not received an NOI for coverage under the new General Air Permit for Minor Source Natural Gas Compression Stations and therefore the facility was no longer covered and the Permit was voided.

11. Respondent has continued operations at the facility after the Permit expired on December 13, 2020 and voided on January 20, 2021. Such act violates APC&EC Regulations 18.301(B)(3) & 18.310(B).

12. On April 6, 2021, DEQ sent Respondent a formal enforcement letter for the compliance issues discovered during the review of the permit and invoice databases.

13. On April 12, 2021, Respondent submitted an NOI for coverage under the General Air Permit for Minor Source Natural Gas Compression Stations (1868-AGP-000).

14. Tracking No. 1868-AGP-278, which indicates authority to operate under the General Air Permit for Minor Source Natural Gas Compressor Stations, was issued on May 5, 2021.

ORDER AND AGREEMENT

WHEREFORE, Respondent, neither admitting nor denying the factual and legal allegations contained in this CAO, and DEQ do hereby agree and stipulate as follows:

1. This CAO addresses all violations listed in the FINDINGS OF FACT.
2. In compromise and full settlement of the violations specified in the FINDINGS OF FACT, Respondent agrees to pay a civil penalty of **THREE THOUSAND THREE HUNDRED SIXTY DOLLARS (\$3,360.00)**, or one-half of the penalty, **ONE THOUSAND SIX HUNDRED EIGHTY DOLLARS (\$1,680.00)** if this CAO is signed and returned to Air Enforcement Section, DEQ, 5301 Northshore Drive, North Little Rock, Arkansas 72118-5317, prior to 4:00 p.m. on **October 2, 2021**. Payment is due within thirty (30) calendar days of the effective date of this CAO. Such payment shall be made payable to:

DEQ, Fiscal Division
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317.

In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be entitled to attorneys' fees and costs associated with collection.

3. All applicable submissions required by this CAO are subject to approval by DEQ. In the event of any deficiency, Respondent shall, within fifteen (15) calendar days of notification by DEQ, submit any additional information requested. Failure to respond adequately to the notice of deficiency within fifteen (15) calendar days constitutes a failure to meet a deadline and is

subject to the civil penalties established in the following Paragraph.

4. Failure to meet the limits, requirements, or deadlines of this CAO or the applicable approved schedules provided for herein constitutes a violation of this CAO. If Respondent fails to meet any limits, requirements, or deadlines, Respondent shall pay, on demand, to DEQ civil penalties according to the following schedule:

- | | |
|--|----------------|
| (a) First day through the fourteenth day: | \$100 per day |
| (b) Fifteenth day through the thirtieth day: | \$500 per day |
| (c) More than thirty days: | \$1000 per day |

Stipulated penalties shall be paid within thirty (30) calendar days of receipt of DEQ's demand to Respondent for such penalties. These stipulated penalties may be imposed for delay in scheduled performance and shall be in addition to any other remedies or sanctions that may be available to DEQ by reason of Respondent's failure to comply with the requirements of this CAO. DEQ reserves its rights to collect other penalties and fines pursuant to its enforcement authority in lieu of the stipulated penalties set forth above.

5. If any event, including, but not limited to, an occurrence of nature, causes or may cause a delay in the achievement of compliance by Respondent with the requirements or deadlines of this CAO, Respondent shall notify DEQ in writing as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates have passed. The notification shall describe in detail the anticipated length of the delay, the precise cause of the delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.

6. DEQ may grant an extension of any provision of this CAO, provided that Respondent requests such an extension in writing and provided that the delay or anticipated delay

has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period, but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure to notify DEQ promptly, as provided in the previous Paragraph of the ORDER AND AGREEMENT, shall be grounds for a denial of an extension.

7. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d), and therefore is not effective until thirty (30) calendar days after public notice of the CAO is given. DEQ retains the right and discretion to rescind this CAO based on comments received within the thirty (30) day public comment period.

8. As provided by APC&EC Regulation 8, this matter is subject to being reopened upon Commission initiative or in the event a petition to set aside this CAO is granted by the Commission.

9. Nothing contained in this CAO shall relieve Respondent of any obligations imposed by any other applicable local, state, or federal laws. Except as specifically provided herein, nothing contained in this CAO shall be deemed in any way to relieve Respondent of responsibilities contained in the permit.

10. Nothing in this CAO shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. In addition, this CAO neither exonerates Respondent from any past, present, or future conduct that is not expressly addressed herein, nor relieves Respondent of the

responsibilities for obtaining any necessary permits.

11. By virtue of the signature appearing below, the individual represents that he or she is a General Partner of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this CAO by an individual other than a General Partner of Respondent shall be accompanied by a resolution granting signature authority to that individual as duly ratified by all general partners of the entity.

SO ORDERED THIS 4th DAY OF OCTOBER, 2021.

Julie Linck
JULIE LINCK, CHIEF ADMINISTRATOR
ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY

APPROVED AS TO FORM AND CONTENT:

FLYING PIG PIPELINE, L.P.
- HOT LINK COMPRESSOR STATION

BY: Keith E. Bucy (Signature)

KEITH E. BUCY (Typed or printed name)

TITLE: ATTORNEY-IN-FACT

DATE: 9/16/2021

ORIGINAL