



Department of Environmental Quality

*To protect, conserve and enhance the quality of Wyoming's
environment for the benefit of current and future generations.*



Matthew H. Mead, Governor

Todd Parfitt, Director

November 25, 2014

Mr. Kevin Philbrick
Tallgrass MLP Operations, LLC
370 Van Gordon Street
Lakewood, CO 80228

RE: Notice of Violation

Dear Mr. Philbrick:

Enclosed you will find a Notice of Violation (NOV) issued to Tallgrass MLP Operations, LLC by the Department of Environmental Quality, Air Quality Division, for failing to comply with VOC monitoring and notification requirements at the Casper Gas Plant & Compressor Station located in Natrona County, Wyoming. These are violations of W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 5, Section 2 of the WAQSR, 40 CFR Part 60, Subpart OOOO.

As the Department and this Division consider the failure to comply with applicable requirements to be a serious matter, I am considering recommending the Department refer this violation to the State Attorney General's office requesting a suit be filed in District Court to recover appropriate penalties. If you would like to discuss settlement of this Notice of Violation prior to referral to the Attorney General's office, please contact Ms. Ann Shed, Air Quality Compliance Program Principal, at 307-777-8601 no later than ten (10) days after receipt of this letter.

Should you have any questions or comments regarding this matter, please feel free to contact me or Ms. Ann Shed.

Sincerely,

Steven A. Dietrich
Administrator
Air Quality Division

cc: Fred Dilella
Chris Hanify
Elizabeth Lyon
Landon Brown



**BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

**IN THE MATTER OF THE NOTICE OF VIOLATION)
ISSUED TO TALLGRASS MLP OPERATIONS, LLC) DOCKET NO. 5506-14
MR. KEVIN PHILBRICK)
370 VAN GORDON STREET)
LAKEWOOD, CO 80228)**

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Tallgrass MLP Operations, LLC to be in violation of W.S. 35-11-801 of the Wyoming Environmental Quality Act, Chapter 5, Section 2 of the Wyoming Air Quality Standards and Regulations (WAQSR), and 40 CFR Part 60, Subpart OOOO (Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution) for the Casper Gas Plant & Compressor Station located in Natrona County, Wyoming.

2. W.S. 35-11-801(a) states, "In granting permits, the Director may impose such conditions as may be necessary to accomplish the purpose of this act which are not inconsistent with the existing rules, regulations and standards."

3. Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations prescribes the applicability and procedures for issuing permits to sources under Wyoming's construction and modification permitting program.

4. On July 9, 2013, waiver-14388 was issued to Tallgrass authorizing replacement of the existing depropanizer system with a new system and converting the existing depropanizer system into a debutanizer system. Installation of the new pumps constituted a capital expenditure as defined by NSPS 40 CFR Part 60, Subpart VVa (§60.480a), therefore the project triggered a modification under NSPS 40 CFR Part 60, Subpart OOOO, §60.5360. These modifications make the entire plant subject to the equipment leak requirements of Subpart OOOO.

5. Chapter 5, Section 1 of the WAQSR incorporates emission control regulations developed by the Environmental Protection Agency for specific source categories. The State of Wyoming, Air Quality Division adopts these Federal Regulations in order to maintain administrative authority with regards to the standards. Chapter 5, Section 2 contains New Source Performance Standards (NSPS) which regulate criteria pollutant emissions from specific categories of new sources.

6. Under Chapter 5, Section 2 of the WAQSR, 40 CFR 60 Subpart OOOO, not including later amendments, is adopted by reference from the Federal Register, as published by the National Archives and Records Administration. The Federal Register publishing date, volume and page for the standard is September 23, 2013 40 CFR Part 60, Vol. 78, p. 58416 Subpart OOOO. The Federal Register article cited above, revised and published as of September 23, 2013, not including any later amendments, is incorporated by reference. §60.5360 establishes emission standards and compliance schedules for the control of volatile organic compounds (VOC) and sulfur dioxide (SO₂) emissions from affected facilities that commence construction, modification or reconstruction after August 23, 2011. §60.5400 establishes leak standards for affected facilities at onshore natural gas processing plants. Exceptions to the equipment leak standards are established in §60.5401(b)(1) which states that each pressure relief device in gas/vapor service may be monitored quarterly.

7. On November 17, 2014, Tallgrass reported that VOC monitoring for project and additional components had not been performed as required by 40 CFR, Part 60 Subpart OOOO and Chapter 5, Section 2 of the WAQSR.

8. Said violation consists of failure to monitor VOC emissions as required at the Casper Gas Plant & Compressor Station located in Natrona County, Wyoming. Failure to monitor emissions as required is a violation of W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 5, Section 2 of the WAQSR, 40 CFR Part 60, Subpart OOOO.

9. Under Chapter 5, Section 2 of the WAQSR, 40 CFR Part 60, Subpart OOOO, not including later amendments, is adopted by reference from the Federal Register. §60.5420(a) states that notifications required in §60.7(a)(1) and (4) must be submitted for affected facilities specified in §60.5365.

10. On November 17, 2014, Tallgrass reported that initial notification for 40 CFR, Part 60, Subpart OOOO applicability to all equipment in VOC service had not been made "as soon as practicable before the change commenced" per §60.7(a)(4) and as required by Chapter 5, Section 2 of the WAQSR.

11. Said violation consists of failure to provide initial notification of applicability of 40 CFR, Part 60, Subpart OOOO applicability of all equipment in VOC service as required at the Casper Gas Plant & Compressor Station located in Natrona County, Wyoming. Failure to provide initial notification of applicability as required is a violation of W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 5, Section 2 of the WAQSR, 40 CFR Part 60, Subpart OOOO.

12. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental Quality Act] ... is subject to a penalty not to exceed ten thousand dollars (\$10,000.00) for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction.

13. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of the failure to correct or remedy an alleged violation, the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

DATED this 25th day of NOVEMBER, 2014.



Steven A. Dietrich
Administrator
Air Quality Division



Todd Parfitt
Director
Department of Environmental Quality

Please direct all inquiries to Steven A. Dietrich, Administrator, Division of Air Quality, Department of Environmental Quality, Herschler Building, 2nd Floor, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-7393.)