



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TX 75202-2733

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July 18, 2011

CERTIFIED MAIL – RETURN RECEIPT REQUESTED: 7011 0110 0001 3590 7404

Capitol Corporate Services, Inc.  
8550 United Plaza Blvd., Building II  
Suite 305  
Baton Rouge, LA 70809

Re: Notice of Violation

Dear Madam/Sir:

Enclosed is a Notice and Finding of Violation (NOV) issued to Xplor Energy Operating Company (Xplor Energy) pursuant to Section 113(a) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a). In the NOV, the U.S. Environmental Protection Agency documents CAA violations at Xplor Energy's Main Pass Block 35 Central Facility, located 7 miles north of Boothville, Louisiana.

Please note the opportunity to confer outlined in the NOV. As indicated in the NOV, any request to confer should be directed to Carlos Zequeira, Senior Assistant Regional Counsel. Mr. Zequeira can be reached at (214) 665-8053 or by e-mail at [zequeira.c@epa.gov](mailto:zequeira.c@epa.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "John Blevins".

John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

Enclosure

cc: Leigh Gauthreaux  
Louisiana Department of Environmental Quality

Tracy Hester, Esquire  
Bracewell & Giuliani, L.L.P.

**UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION 6  
DALLAS, TEXAS**

IN THE MATTER OF: )  
 )  
XPLOR ENERGY OPERATING COMPANY ) PROCEEDING PURSUANT TO  
 ) SECTION 113 OF THE CLEAN AIR ACT  
 )  
BOOTHVILLE, LOUISIANA )  
\_\_\_\_\_ )

**NOTICE AND FINDING OF VIOLATION**

This Notice and Finding of Violation (Notice) is issued to Xplor Energy Operating Company (Xplor Energy) for violations of the Clean Air Act (Act), 42 U.S.C. § 7401 *et seq.* Specifically, Xplor Energy has violated the Louisiana State Implementation Plan and the Title V permitting requirements at its natural gas production facility located in Boothville, Plaquemines Parish, Louisiana.

This Notice is issued pursuant to Sections 113(a)(1) and (a)(3) of the Act, 42 U.S.C. §§ 7413(a)(1) and (3). Section 113(a) of the Act requires the Administrator of the United States Environmental Protection Agency (EPA) to notify any person in violation of a state implementation plan (SIP) or permit of the violations. The authority to issue this Notice has been delegated to the Regional Administrator of EPA Region 6, and redelegated to the Director, Compliance Assurance and Enforcement Division, EPA Region 6.

**A. STATUTORY AND REGULATORY BACKGROUND**

1. Pursuant to 42 U.S.C. § 7410, each State must adopt and submit to EPA for approval, a State Implementation Plan (SIP) that provides for attainment and maintenance of the national ambient air quality standards. The State of Louisiana has adopted a SIP that has been approved by EPA. 40 C.F.R. Part 52, Subpart T. The Louisiana SIP includes relevant provisions of LAC 33:III.111 and LAC 33:III.2113. 40 C.F.R. § 52.970(c). Violations of a federally approved Louisiana SIP are federally enforceable pursuant to Sections 110 and 113 of the Act, 42 U.S.C. §§ 7410 and 7413.

2. Section 502(d)(1) of the Act, 42 U.S.C. § 7661a(d)(1), requires each State to develop and submit to EPA an operating permit program which meets the requirements of Title V. On October 12, 1995, EPA granted full approval to the Louisiana Title V operating permits program. 40 C.F.R. Part 70, Appendix A. Major stationary sources of air pollution and other sources covered by Title V are required to obtain an operating permit that includes emission limitations and such other conditions necessary to assure compliance with all applicable requirements of the Act. 42 U.S.C. §§ 7661a(a) and 7661c(a).

3. The Title V operating permit program does not generally impose new substantive air quality control requirements (which are referred to as “applicable requirements”), but does require permits to contain monitoring, recordkeeping, reporting, and other requirements to assure compliance by sources with existing applicable requirements. *57 Fed. Reg.* 32250, 32251 (July 21, 1992).

4. Under 40 C.F.R. § 70.1(b), “all sources subject to [Title V must] have a permit to operate that assures compliance by the source with all applicable requirements.” Applicable requirements are defined in 40 C.F.R. § 70.2 to include “(1) any standard or other requirement provided for in the applicable implementation plan approved or promulgated by EPA through rulemaking under title I of the [Clean Air] Act that implements the relevant requirements of the Act, including any revisions to that plan promulgated in [40 C.F.R. Part 52].”

5. Louisiana defines “federally applicable requirement” in relevant part, to include “any standard or other requirement provided for in the Louisiana State Implementation Plan approved or promulgated by EPA through rulemaking under Title I of the Clean Air Act that implements the relevant requirements of the Clean Air Act, including any revisions to that plan promulgated in 40 CFR Part 52, Subpart T.” LAC 33:III.502.A.

## **B. PRELIMINARY ALLEGATIONS**

6. Respondent, Xplor Energy Operating Company, is a corporation authorized to do business in Louisiana.

7. The Respondent is a “person” as that term is defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e) and within the meaning of Section 113(d) of the Act, 42 U.S.C. § 7413(d).

8. The Respondent owns and operates a natural gas production facility at Main Pass Block 35 Central Facility, located 7 miles north of Boothville, Plaquemines Parish, Louisiana (the Facility).

9. On or about September 6, 2007, a Title V Permit (Permit No. 2240-00197-V5) for the Facility was issued to Xplor Energy Operating Company.

10. General Condition II of the Respondent’s Title V Permit states that “[t]he permittee is subject to all applicable provisions of the Louisiana Air Quality Regulations. Violation of the terms and conditions of the permit constitutes a violation of these regulations.”

11. Table 1 of the Respondent’s Title V Permit states that the entire Facility is subject to LAC 33:III.2113.

12. On or about February 11, 2008, a partial compliance evaluation inspection was conducted by EPA at the Facility pursuant to Section 114 of the Act, 42 U.S.C. § 7414.

**C. FINDING OF VIOLATION**

**FAILURE TO MAINTAIN BEST PRACTICAL HOUSEKEEPING AND MAINTENANCE PRACTICES**

13. Paragraphs 1- 12 are realleged and incorporated by reference.

14. LAC 33:III.2113, which is part of the approved Louisiana SIP, provides the following:

“Best practical housekeeping and maintenance practices must be maintained at the highest possible standards to reduce the quantity of organic compounds emissions. Emission of organic compounds must be reduced wherever feasible.”

15. LAC 33:III.111 of the Louisiana SIP defines “air contaminants” as “particulate matter, dust, fumes, gas, mist, smoke, or vapor, or any combination thereof produced by process other than natural.

16. A “volatile organic compound” or VOC is an “air contaminant” as that term is defined by LAC 33:III.111 of the Louisiana SIP.

17. On or about February 11, 2008, during the inspection, the inspector noted that one stock tank (No. 310) was damaged and was leaking VOCs.

18. On or about February 11, 2008, during the inspection, one unidentified oily tank hatch was detected to be leaking VOCs.

19. On or about February 11, 2008, during the inspection, one compressor engine (No. 6) was detected to be leaking VOCs.

20. Therefore, the Respondent violated LAC 33:III.2113 of the Louisiana SIP, and General Condition II of the Respondent’s Title V Permit (Permit No. 2240-00197-V5), and Section 502(a) of the Act, 42 U.S.C. § 7661a(a), by failing to properly maintain best practical housekeeping and maintenance practices at the highest possible standards to reduce the quantity of organic compounds emissions from the tanks (mentioned in Paragraphs 17 and 18 above) and from the compressor engine at the Facility.

**D. ENFORCEMENT**

Pursuant to Section 113(a)(1) of the Act, 42 U.S.C. § 7413(a)(1), whenever the Administrator finds that any person has violated or is in violation of any requirement or prohibition of an applicable state implementation plan or permit, the Administrator shall notify such person and the State in which the plan applies of such finding. At any time after

the expiration of 30 days following the date on which such notice is issued, the Administrator may, without regard to the period of violation, issue an order requiring compliance with the requirements of the state implementation plan or permit, issue an administrative penalty order pursuant to Section 113(d), or bring a civil action pursuant to Section 113(b) for injunctive relief and/or civil penalties.

Section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3), provides in part that if the Administrator finds that a person has violated, or is in violation of Title V of the Act, including a requirement or prohibition of any rule, plan, order, waiver, or permit promulgated, issued, or approved under Title V, the Administrator may issue an administrative penalty order under Section 113(d), issue an order requiring compliance with such requirement or prohibition, or bring a civil action pursuant to Section 113(b) for injunctive relief and/or civil penalties.

**E. OPPORTUNITY FOR CONFERENCE**

Xplor Energy may, upon request, confer with EPA. The conference will enable Xplor Energy to present evidence bearing on the finding of violation, on the nature of the violation, and on any efforts it may have taken or proposes to take to achieve compliance. Xplor Energy has a right to be represented by counsel. A request for a conference must be made within ten (10) days of receipt of this Notice, and the request for a conference or other inquiries concerning the Notice should be made in writing to:

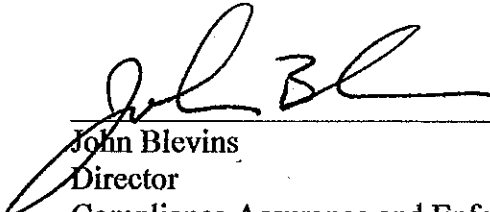
Carlos Zequeira  
Senior Assistant Regional Counsel (6RC-EA)  
Office of Regional Counsel  
U. S. EPA - Region 6  
1445 Ross Avenue  
Dallas, Texas 75202-2733  
E-mail: zequeira.c@epa.gov

If you have any questions, please feel free to call Carlos Zequeira at (214) 665-8053.

**F. EFFECTIVE DATE**

This Notice shall become effective immediately upon issuance.

Dated: 7.18.11

  
\_\_\_\_\_  
John Blevins  
Director  
Compliance Assurance and Enforcement Division  
U.S. EPA - Region 6