



John R. Kasich, Governor  
Mary Taylor, Lt. Governor  
Craig W. Butler, Director

July 16, 2018

**CERTIFIED MAIL**

Chris Walker  
Chief Operating Officer  
Atlas Noble, LLC  
425 Houston Street, Suite 300  
Fort Worth, Texas 76102

Re: Final Findings and Orders for air pollution  
violations

Dear Mr. Walker,

Transmitted herewith are the Final Findings and Orders ("Orders") of the Director of Ohio EPA concerning the above-referenced matter.

Please note that the effective date of the Orders is the date that the Orders were entered into the Ohio EPA Director's journal, which is the date that is stamped on the first page of the Orders.

Sincerely,

A handwritten signature in black ink, appearing to read "James Kavalec", is written over a faint, light-colored signature line.

James Kavalec, Manager  
Compliance/Enforcement Section  
Division of Air Pollution Control

cc: Kim Rhoads, Legal  
John Rochotte, SEDO  
Brandon Schwendeman/John Paulian, DAPC  
Lee Tullis, DAPC  
James Lee, PIC

**BEFORE THE**  
**OHIO ENVIRONMENTAL PROTECTION AGENCY**

**In the Matter of:**

**Atlas Noble, LLC - Cramblett Well Pad** :  
**Bowers Road** :  
**North Township, Ohio 43988** :

**Director's Final Findings  
and Orders**

I certify this to be a true and accurate copy of the official documents as filed in the records of the Ohio Environmental Protection Agency.

**PREAMBLE**

It is agreed by the parties hereto as follows:

By: *[Signature]* Date: 7/16/18

**I. JURISDICTION**

These Director's Final Findings and Orders ("Orders") are issued to Atlas Noble, LLC - Cramblett Well Pad, ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03 and 3745.01.

**II. PARTIES BOUND**

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of Respondent or of the facility (as hereinafter defined) shall in any way alter Respondent's obligations under these Orders.

**III. DEFINITIONS**

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3704 and the rules promulgated thereunder.

**IV. FINDINGS**

The Director of Ohio EPA makes the following findings:

1. Respondent owns and operates an oil and gas production facility (Facility ID#0634005058) located on Bowers Road, in North Township, Ohio (Harrison County). At this facility, among other emissions units, Respondent operates emissions unit ("EU") P001 (Dehydration System), EU P002 (Spark Ignition Internal Combustion Engines), EU F001 (Equipment/Pipeline Leaks), and EU F002 (Paved and Unpaved Roadways and Parking Areas). EUs P001, P002, F001 and F002 were installed in June of 2013 and began operation in September of 2013. The permit to install and operate ("PTIO") P0121349, which contains EUs P001, P002, F001 and F002, was issued on October 6, 2016.

2. ORC § 3704.05(C) states, in part, that no person who is a holder of a permit issued under ORC § 3704.03(F) or (G) shall violate any of its terms or conditions.

3. OAC Rule 3745-15-06(B)(3), in part, requires the holder of a permit to submit a detailed report of malfunction to Ohio EPA within two months following a failure.

4. The terms and conditions of PTIO P0121349 (Term A.10) requires the permittee to report malfunctions of emissions unit(s) or any associated air pollution control system to the designated Ohio EPA District Office or Local Air Agency in accordance with OAC Rule 3745-15-06(B).

5. For EU P001, Term C.1.b)(1) of PTIO P0121349, requires Respondent to comply with the Volatile Organic Compound ("VOC") emission limitation of 0.23 ton per month averaged over a 12-month rolling period.

6. For EU P001, Term C.1.e)(2) of PTIO P0121349 requires Respondent to identify the following information in the Permit Evaluation Report ("PER"):

a. the annual facility natural gas or hydrocarbon liquid throughput for the year of the report, in accordance with 40 CFR 63.760(a);

b. identification of the kind of liquid glycol used in the dehydrator during the year of the report, e.g., ethylene glycol, diethylene glycol, or triethylene glycol;

c. if the permittee is using triethylene glycol and meeting the exemption for the flow rate of natural gas to the TEG dehydration unit, the actual annual average natural gas flow rate to the TEG dehydration unit; and either the calculations and/or method of measurement of this flow rate or a statement that this flowrate was based on the maximum design capacity of the unit;

d. if the permittee is using triethylene glycol and meeting the exemption for benzene emissions, the actual annual average emissions of benzene from the TEG dehydration unit; and if these emissions were determined using the GRI-GLYCalc™ model, the method used to determine the benzene concentration entered into the model, and/or identification of the method used for direct measurement;

e. if the permittee is using triethylene glycol and the area source is not located in an UA plus offset and UC boundary and does not meet one of the exemptions identified in 40 CFR 63.764(e), the calculation for the optimal circulation rate and the method of measurement for the gas flowrate (MMscf/day) and inlet/outlet water content (lbs/MMscf), and a statement as to whether or not the optimal circulation rate was exceeded, to include the date, duration, and the non-compliant circulation rate measured;

f. if the permittee is using triethylene glycol and the area source is located in an UA plus offset and UC boundary and does not meet one of the exemptions identified in 40 CFR 63.764(e), the method of control that was used to demonstrate compliance, the results of the compliance demonstration, and a statement as to whether or not the selected

compliance option was met;

g. where a flare is used to control the dehydration still vent, all periods of time during which the automatic flare ignition system was not functioning properly or the flare was not maintained as required in this permit, to include the date, time, and duration of each such period of time;

h. where a condenser (or BTEX elimination system) is used to control the dehydration still vent, all periods of time when the continuous temperature monitoring device for the condenser vapor outlet temperature is not working or is not continuously recording the vapor outlet temperature when process gas is being vented to the condenser; and

i. where the triethylene glycol dehydrator does not meet one of the exemptions in 40 CFR 63.764(e) or is not demonstrating compliance by documenting and maintaining the optimum glycol circulation rate as required in 40 CFR 63.764(d)(2), the flare or condenser used to demonstrate compliance shall meet all of the requirements of Part 63 Subpart HH.

7. For EU P002, Term C.2.e)(2) of PTIO P0121349 requires Respondent to identify the following information in the PER:

a. each SI engine located (and operated) at the production site during the year, identified by the model year, horse power, and the date of manufacturer of each engine;

b. a statement as to whether each engine was purchased certified by the manufacturer, in accordance with the Subpart JJJJ, i.e., the manufacturer has provided a warranty for the emissions when the engine was first sold;

c. a statement as to whether each engine was operated and maintained in accordance with the manufacturers emission-related instructions;

d. the date each uncertified SI engine was tested for compliance with the applicable emission standards identified in Part 60 Subpart JJJJ; and

e. identification of each engine that did not meet the applicable emission standards identified in 40 CFR 60.4233 and/or this permit, the number of hours each such engine was in operation while not in compliance, the pollutant limitation(s) that were exceeded, and information on the date and resolution of compliance.

8. For EU F001, Term C.5.e)(2) of PTIO P0121349 states that "For each inspection that occurred during the year, the permittee shall submit the following information with the annual PER from data collected by the ancillary equipment leak detection and repair program:

- a. the date of the inspection;
- b. the number of components determined to be leaking;
- c. the company ID and component type (flange, pump, etc.) of each leaking component;
- d. the total number of components at the site;
- e. the percent of components determined to be leaking;
- f. a list of all components that have not been repaired due to a delay of repair and the reason for the delay; and
- g. a notification indicating if the permittee has changed future inspection frequencies based on the percent of components leaking.

9. On February 15, 2018, Respondent submitted the 2017 PER which indicated that since August 1, 2017, Respondent, for safety reasons, had redirected the line from the glycol regenerator still vent, in the dehydration system (EU P001) from the site-wide flare to atmosphere, causing the dehydrator VOC emissions to exceed the permitted level of 0.23 tons of VOC per month averaged over a 12-month rolling period. Respondent later informed Ohio EPA, Southeast District Office ("SEDO") that this bypass would continue until the end of March 2018. SEDO contacted Respondent on April 11, 2018, and Respondent indicated the bypass was ongoing and now estimated that it would be corrected by April 13, 2018.

10. On February 23, 2018, Ohio EPA reviewed the PER determined that Respondent had:

(1) Failed to timely and properly report that EU P001 was bypassing the site-wide flare, in violation of OAC Rule 3745-15-06(B)(3), the terms and conditions of PTIO P0121349 and ORC § 3704.05(C);

(2) For EU P001, exceeded the permitted level 0.23 tons of VOC per month averaged over a 12-month rolling period, in violation of the terms and conditions of PTIO P0121349 and ORC § 3704.05(C);

(3) For EU P001, failed to submit all the records referenced in Finding No. 6 of these Orders and as outlined in the terms C.1e)(2)a through i, in violation of the terms and conditions of PTIO P0121349 and ORC § 3704.05(C);

(4) For EU P002, failed to submit all the records referenced in Finding No. 7 of these Orders and as outlined in the terms C.2e)(2)a through e for EU P002, in violation of the terms and conditions of PTIO P0121349 and ORC § 3704.05(C); and

(5) For EU F001, failed to submit the total number of components at the site and the percent of components determined to be leaking, as outlined in the term C.5.e)(2), in violation of the terms and conditions of PTIO P0121349 and ORC § 3704.05(C).

11. On March 26, 2018 Ohio EPA, SEDO sent a notice of violation letter to Respondent for the violations of the terms and conditions of PTIO P0121349 and ORC § 3704.05(C).

12. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and their relation to benefits to the people of the State to be derived from such compliance.

## **V. ORDERS**

The Director hereby issues the following Orders:

1. Within thirty (30) days from the effective date in these Orders, Respondent shall submit, to Ohio EPA, records demonstrating that Respondent is keeping records identified in Finding Nos 6, 7 and 8 of these Orders.

3. Respondent shall pay the amount of thirty-five thousand dollars (\$35,000) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made by an official check made payable to "Treasurer, State of Ohio" thirty-five thousand dollars (\$35,000). The official check shall be submitted to Carol Butler, or her successor, together with a letter identifying Respondent, to:

Ohio EPA  
Office of Fiscal Administration  
P.O. Box 1049  
Columbus, Ohio 43216-1049

## **VI. TERMINATION**

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders, these obligations have been embedded in operation permits, and the Chief of Ohio EPA's Division of Air Pollution Control acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of Respondent. For purposes of these Orders, a responsible official is as defined in OAC Rule 3745-33-03(D)(1) for a corporation, or a corporate officer who is in charge of a principal business function of Respondent.

#### **VII. OTHER CLAIMS**

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, operations by Respondent.

#### **VIII. OTHER APPLICABLE LAWS**

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

#### **IX. MODIFICATIONS**

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

#### **X. NOTICE**

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Ohio EPA  
Southeast District Office  
Air Pollution Control Division  
2195 Front Street  
Logan, Ohio 43138-8637  
Attention: John Rochotte

and to:

Ohio EPA  
Division of Air Pollution Control  
P.O. Box 1049  
Columbus, Ohio 43216-1049  
Attn: Jim Kavalec, Manager  
Compliance and Enforcement Section

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

### **XI. RESERVATION OF RIGHTS**

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specifically waived in Section XII of these Orders.

### **XII. WAIVER**

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agree to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

### **XIII. EFFECTIVE DATE**

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

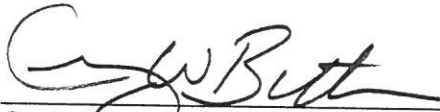


**XIV. SIGNATORY AUTHORITY**

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

**ORDERED AND AGREED:**

**Ohio Environmental Protection Agency**

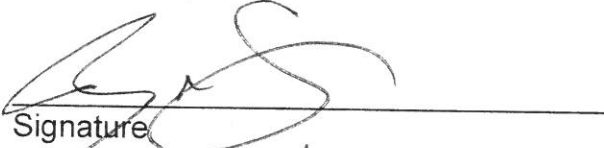


Craig W. Butler  
Director

7/12/18  
Date

**AGREED:**

**Atlas Noble, LLC**



Signature

6/25/18  
Date

J. S. Herback  
Printed or Typed Name