

**COMMONWEALTH OF PENNSYLVANIA  
BEFORE THE ENVIRONMENTAL HEARING BOARD**

GROUP AGAINST SMOG AND POLLUTION,	:	
	:	
Appellant,	:	
	:	
v.	:	EHB Dockets No. 2013-068-B
	:	and 2013-069-B
COMMONWEALTH OF PENNSYLVANIA,	:	
DEPARTMENT OF ENVIRONMENTAL	:	
PROTECTION, and MOUNTAIN	:	
GATHERING, LLC	:	
	:	
Appellees.	:	

**SETTLEMENT AGREEMENT**

This Settlement Agreement ("Agreement") is entered into this 3<sup>rd</sup> day of December, 2013, by and among the Group Against Smog and Pollution, Inc. ("GASP"), Mountain Gathering, LLC ("Mountain Gathering") and the Commonwealth of Pennsylvania, Department of Environmental Protection ("Department") concerning GASP's appeals to the Environmental Hearing Board ("EHB") of the Department's issuance of Air Quality Plan Approval No. 10-380B and Air Quality Plan Approval No. 10-381A.

A. The Department is the agency with the duty and authority to administer and enforce the Air Pollution Control Act, Act of January 8, 1960, P.L. 2119, *as amended*, 35 P.S. §§4001-4015 ("Air Act"); Section 1917-A of the Administrative Code of 1929, 71 P.S. §510-17 ("Administrative Code"); and the regulations promulgated thereunder.

B. GASP is a Pennsylvania non-profit corporation with a mailing address of 5135 Penn Avenue, Pittsburgh, PA 15224.

C. Mountain Gathering is a Delaware Limited Liability Company registered to do business in Pennsylvania with a mailing address of 810 Houston Street, Fort Worth, TX 76102.

D. On April 8, 2013, the Department issued Air Quality Plan Approval 10-381-A to Mountain Gathering for the installation and temporary operation of eight (8) natural gas compressor engines, three (3) process tanks, a flare, and a TEG dehydrator at the Forward Compressor Station in Forward Township, Butler County.

E. On April 8, 2013, the Department issued Air Quality Plan Approval 10-380-B to Mountain Gathering for the installation and temporary operation of eight (8) natural gas compressor engines, three (3) process tanks, a flare, and a TEG dehydrator at the Jefferson Compressor Station in Jefferson Township, Butler County.

F. On May 28, 2013, GASP filed with the EHB a timely appeal of Air Quality Plan Approval 10-381-A, which was docketed at No. 2013-069-B.

G. On May 28, 2013, GASP filed with the EHB a timely appeal of Air Quality Plan Approval 10-380-B, which was docketed at No. 2013-068-B. Hereinafter, the EHB appeals docketed at 2013-069-B and 2013-068-B will be referred to collectively as the "Appeals."

H. As directed by the EHB's Pre-Hearing Order No. 1, the parties engaged in settlement discussions in an attempt to resolve the Appeals.

I. As part of the settlement negotiations, Mountain Gathering provided supplemental information to the Department and GASP identifying the make and model of the air pollution control device that would be installed on each of the natural gas compressor engines at the Forward Compressor Station and the Jefferson Compressor Station ("Supplemental Information").

J. The Supplemental Information indicates that the efficiency of the selected air pollution control device will enable Mountain Gathering to not only meet the emission limitations for Non-Methane, Non-Ethane Hydrocarbons (“NMNEHC”) and Formaldehyde set forth in Air Quality Plan Approval 10-380-B and Air Quality Plan Approval 10-381-A, but further reduce actual emissions of NMNEHC and Formaldehyde below these emission limitations.

K. The parties to this Agreement desire to settle the Appeals pending before the Board amicably without resort to further litigation on the terms set forth below.

NOW THEREFORE, after full and complete resolution of all matters set forth in this Agreement, and intending to be legally bound hereby, the parties agree as follows:

1. Within 30 days after the execution of this Agreement by all of the parties, the Department will modify Air Quality Plan Approval 10-380-B and Air Quality Plan Approval 10-381-A, as follows:

a. Section C.I., Condition #007 [25 Pa. Code §127.12b] Plan Approval Terms and Conditions, will be replaced with the following:

“This facility will be limited to VOC emissions of 38 tons per year.”

b. A numbered condition will be added to Section C. VII stating:

“#XXX [25 Pa. Code § 127.12b] Plan approval terms and conditions.

- Air contamination sources and cleaning devices authorized to be installed at the Facility under this Plan Approval are as follows:
- Eight (8) 1,775 bhp Caterpillar Model No. G3606 LE, Performance No. DM8605-02, four stroke lean burn natural gas-fired compressor engines with integrated air/fuel ratio control (Source IDs 101 - 108): each controlled by a GT Exhaust 201 VO-4-200-7124 (or equivalent) oxidation catalyst (Source IDs C101 - C108).

- One (1) 60 MMscfd Natco tri-ethylene glycol (TEG) dehydrator and reboiler with one burner rated at 2.0 MMBtu/hr.
- Three (3) 400 bbl produced water tanks (Source ID 301).
- One (1) 200,000 scfd enclosed flare manufactured by Zeeco Inc, model #T20287F with a pilot rated at 65 scfh (Source ID C301).”

c. Section E.I, Condition #003[25 Pa. Code §123.13] Plan Approval Terms

and Conditions, will be replaced with the following:

“Emissions from each engine shall not exceed the following:

NOx: 0.50 g/bhp-hr

CO: 47 ppmvd @ 15% O2 or 93% reduction.

VOC: 0.20 g/bhp-hr (defined as NMNEHC as propane excluding formaldehyde)

Formaldehyde 0.03 g/bhp-hr

[This condition streamlines the emission restrictions of 40 CFR 60 Subpart JJJJ Table 1].”

d. The tables for Sources 101-108 in Section G. shall be amended to reflect an emission limitation of 0.03 g/bhp-hr for Formaldehyde and 0.20 g/bhp-hr for VOC (defined as NMNEHC as propane excluding formaldehyde).

2. Within 45 days after the execution of this Agreement, the Department shall provide written notice to Mountain Gathering of the modification described in Paragraph 1, above, and shall publish notice of the modification in the *Pennsylvania Bulletin* in accordance 25 Pa. Code §127.13c.

3. Provided the modification of Air Quality Plan Approval 10-380-B and Air Quality Plan Approval 10-381-A conforms to Paragraph 1, above, GASP and Mountain Gathering hereby waive any right they or their members may have to appeal the modification of Air Quality Plan Approval 10-380-B and Air Quality Plan Approval 10-381-A as described herein, which rights may be available under Section 4 of the Environmental Hearing Board Act,

the Act of July 13, 1988, P.L. 530, No. 1988-94, 35 P.S. §7514; the Administrative Agency Law, 2 Pa. C.S. §103(a) and Chapters 5A and 7A; or any other provision of law.

4. Within 10 days after execution of this Agreement by all parties, GASP will request that the EHB mark the Appeals settled and closed.

5. The statements in Paragraphs A through K are true and correct. In any judicial or administrative proceeding involving GASP, Mountain Gathering and/or the Department, no party to this Agreement may challenge the accuracy or validity of these statements.

6. The parties shall bear their respective attorney fees, expenses, and other costs in the prosecution or defense of the Appeals.

7. This Agreement shall constitute the entire integrated agreement of the parties. No prior or contemporaneous communications or prior drafts shall be relevant or admissible for purposes of determining the meaning or extent of any provisions herein in any litigation or any other proceeding.

8. No changes, additions, modifications or amendments to this Agreement shall be effective unless they are set out in writing and signed by the parties hereto.

9. This Agreement may be executed in counterparts and the original signature page of each party shall be attached and integrated into this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives. The undersigned representatives of GASP and Mountain Gathering certify under penalty of law, as provided by 18 Pa. C.S. §4904, that they are authorized to execute this Agreement on behalf of GASP and Mountain Gathering, respectively and that GASP and Mountain Gathering hereby knowingly waive their rights to appeal this Agreement and to challenge its content or validity, which rights may be available under Section

4 of the Environmental Hearing Board Act, the Act of July 13, 1988, P.L. 530, No. 1988-94, 35 P.S. §7514; the Administrative Agency Law, 2 Pa. C.S. §103(a) and Chapters 5A and 7A; or any other provision of law. Signature by Mountain Gathering's attorney certifies only that the agreement has been signed after consulting with counsel.

**FOR GROUP AGAINST SMOG AND POLLUTION:**

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Rachel Filippini, Executive Director

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Joseph Osborne, Esq.,  
Legal Director

**FOR THE COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL PROTECTION:**



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John F. Guth  
Regional Manager Air Quality



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Douglas G. Moorhead  
Assistant Counsel

**FOR MOUNTAIN GATHERING, LLC:**

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Brian Givens, Vice President

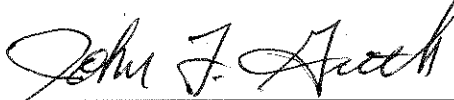
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David E. Northrop, Esquire  
Babst, Calland, Clements and Zomnir, P.C.  
Attorney for Mountain Gathering, LLC

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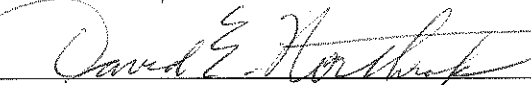
  
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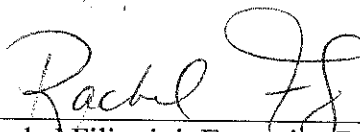
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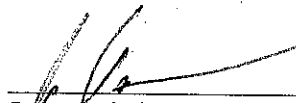
  
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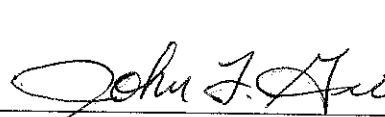
  
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