

**ALABAMA DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT**

IN THE MATTER OF

MOBIL EXPLORATION & PRODUCING
SOUTHEAST, INC.

Submerged state lease tract No. 76, Alabama

ADEM Air Facility I.D. No. 503-0010

CONSENT ORDER NO. 00-095-CAP

FINDINGS

Pursuant to the provisions of the Alabama Environmental Management Act, §§ 22-22A-1 through 22-22A-16, Code of Alabama 1975, as amended, the Alabama Air Pollution Control Act, §§ 22-28-1 through 22-28-23, Code of Alabama 1975, as amended, and the ADEM Administrative Code of Regulations ("ADEM Admin. Code R.") promulgated pursuant thereto, and without the adjudication of any issues of fact or law and upon the consent of the parties concerned hereto, the Alabama Department of Environmental Management (hereinafter, the "Department") makes the following FINDINGS:

1. Mobil Exploration and Producing Southeast, Inc. (hereinafter referred to as "Mobil") is the permitted owner and /or operator of a natural gas production facility (hereinafter referred to as "Mary Ann 76A platform") in Mobile Bay, Submerge state lease tract No. 76, Alabama (Air

executed mailed
3/27/00 3/28/00

Division facility number 503-0010). The Mary Ann 76A platform facility office is located at 5201 Old Rock Road in Coden, Alabama.

2. The Alabama Department of Environmental Management is a duly constituted agency of the State of Alabama pursuant to §§ 22-22A-1 through 22-22A-16, Code of Alabama 1975, as amended.

3. Pursuant to § 22-22A-4(n), Code of Alabama 1975, as amended, the Department is the state air pollution control agency for the purposes of the federal Clean Air Act, 42 U.S.C. 7401 through 7671q, as amended. In addition, the Department is authorized to administer and enforce the provisions of the Alabama Air Pollution Control Act, §§ 22-28-1 through 22-28-23, Code of Alabama 1975, as amended.

4. On October 24, 1996, under the authority of §22-28-16(a), Code of Alabama 1975, as amended, the Department issued to Mobil a Permit to Operate (No. 413-0010-X005) which authorized the operation of a platform flare subject to certain conditions and limitations.

5. Proviso 11(e)(2) of Air Permit No. 503-0010-X005 states: "The flare shall be designed to be smokeless and at no time shall the facility be operated without a pilot flame or an automatic flame ignition system being available at the flare tip."

6. On August 27, 1999 a Department staff member observed visible emissions coming from the Mary Ann 76A platform flare for a period of greater than 10 minutes on two different occasion that day.

7. On September 2, 1999, a Department staff member observed continuous visible emission from the Mary Ann 76A platform flare for a period of two hours.

8. On September 3, 1999, the Department staff member returned to the area and observed visible emission coming from the Mary Ann 76A platform flare for a period of thirty minutes.

9. On September 23, 1999, the Department issued a Notice of Violation to Mobil for the visible emissions coming from the Mary Ann 76A platform flare. The Notice of Violation requested both an explanation for these events and what would be done to implement corrective actions.

10. On October 26, 1999, Mobil responded to the Notice of Violation by stating that the cause of the visible emission from the Mary Ann 76A platform flare was due to normal operating

conditions resulting in process flow rates to the flare below the minimum design rate in which smokeless conditions could be maintained. This is a similar response to that which was obtained as the result of a letter of warning to Mobil dated May 30, 1997 with regards visible emissions coming from the same flare. Mobil stated in the October 1999 response and the 1997 response that it was investigating both technical and operational measures that could be implemented to resolve this issue.

11. On February 15, 2000, ExxonMobil personnel on behalf of Mobil, met with Department personnel to present the corrective actions that have been undertaken to ensure visible emission events are minimized from occurring during platform flaring events. According to ExxonMobil, one gas stream that was vented to the flare has been routed to the gas pipeline. In the next few months, another gas stream will be rerouted from the glycol dehydration system to the dry bed dehydration system thereby reducing the volume of gas vented to the flare from the glycol regeneration column overhead stream. The rerouting of these two gas streams will significantly reduce the volume of gas that will be burned in the flare, which should address the cause of the subject visible emission events.

12. Mobil neither admits nor denies the Findings contained in this consent order. However, in an effort to cooperate with the Department and to resolve the allegations cited above, Mobil consents to the terms of this Order.

13. The Department agrees to this Consent Order upon a determination that the terms are in the best interests of the citizens of Alabama in resolving the alleged violations cited hereinabove.

ORDER

Based upon the foregoing FINDINGS and pursuant to §§ 22-22A-5(10), 22-22A-5(12), 22-22A-5(18), 22-28-10(2) and 22-28-18, Code of Alabama 1975, as amended, and with the consent of Mobil, it is hereby ORDERED:

A. That Mobil shall, immediately upon the effective date of this Consent Order and continuing thereafter, comply with all requirements of ADEM Administrative Code 335-3 and the applicable Air Permits that have been issued to Mobil.

B. That on or before July 1, 2000 Mobil shall complete of the modifications specified in paragraph No. 11 (above).

C. That until Mobil has completed the modifications in accordance to the schedule specified in paragraph No. B (above), ADEM will not undertake further enforcement actions related to visible emissions at the referenced facility.

D. That, not later than thirty days after the effective date of this Consent Order, Mobil shall pay to the Department a civil penalty in the amount of \$17,500 for the violations cited herein.

E. That this Consent Order shall apply to and be binding upon both parties, their directors, officers, and all persons or entities acting under or for them. Each signatory to this Consent Order certifies that he or she is fully authorized by the party he or she represents to enter into the terms and conditions of this Consent Order, to execute the Consent Order on behalf of the party represented and to legally bind such party.

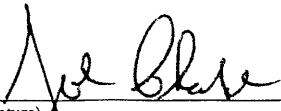
F. That, subject to the terms of these presents and subject to provisions otherwise provided by statute, this Consent Order is intended to operate as a full resolution of the violations which are cited in this Order of applicable Air Division regulations to the date of this Order.

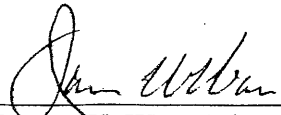
G. That Mobil is not relieved from any liability if it fails to comply with any provision of the Consent Order.

H. That, for purposes of this Order only, Mobil agrees that the Department may properly bring an action to compel compliance with the terms and conditions contained herein in a court of competent jurisdiction, including, but not limited to, Montgomery County Circuit Court. Mobil also agrees that in any action brought by the Department to compel compliance with the terms of this Order, Mobil shall be limited to the defenses of Force Majeure, compliance with this Order and physical impossibility.

I. Should additional facts and circumstances be discovered in the future concerning Mobil which would constitute possible violations not addressed in this Order, or if the violations noted herein continue, then such future violations shall be addressed in Orders as may be issued by the Department, litigation initiated by the Department, or such other enforcement action as may be appropriated, and Mobil shall not object to such future orders, litigation or enforcement action based on the issuance of this Consent Order.

J. That by agreement of the parties, this Order shall be considered final and effective immediately upon signature of all parties. This Consent Order shall not be appealable, and Mobil does hereby waive any hearing on the terms and conditions of same.


(Signature)
John P. Chaplin, Production Manager
(Please Print Name and Title of Authorized Officer)
ExxonMobil on behalf of Mobil


James W. Warr, Director
Alabama Department of
Environmental Management

DATE: March 27, 2000