

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2007-0722-AIR-E **TCEQ ID:** RN100211473 **CASE NO.:** 33455

RESPONDENT NAME: WTG Gas Processing, L.P.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: East Vealmoor Gas Plant, eight miles west of the intersection of Texas Highway 350 on Farm Road 846 and one mile north on a lease road, Howard County</p> <p>TYPE OF OPERATION: oil and gas facility</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on October 29, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Jessica Rhodes, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-2879; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. J. L. Davis, Registered Agent, WTG Gas Processing, L.P., 211 North Colorado, Midland, Texas 79701 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: February 13, 2007</p> <p>Date of NOV/NOE Relating to this Case: April 4, 2007 (NOE)</p> <p>Background Facts: This was a routine investigation. Four violations were documented.</p> <p>AIR</p> <p>1) Failed to submit an annual certification and semi-annual deviation reports within 30 days and submit all instances of deviations. Specifically, the annual certification for the period 1/13/05 through 1/12/06 and the semi-annual deviation reports for the periods 1/13/04 through 7/12/04 and 1/13/05 through 7/12/05 were not submitted within 30 days and failed to include all instances of failure to comply with minimum sulfur recovery unit efficiencies [30 TEX. ADMIN. CODE §§ 122.146(2), 122.145(2)(A) and (C), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failed to perform the annual evaluation of the catalyst degradation for Emission Point No. CM-20 [30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 5301, Special Condition No. 6B and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>3) Failed to prevent the exceedance of sulfur dioxide and maintaining sulfur dioxide reduction efficiency above the 74% federal minimum requirement and 94% permitted minimum requirement for the reporting periods January 13, 2004 to January 12, 2007 [30 TEX. ADMIN. CODE §§ 101.20(1), 116.115(b)(2)(F) and (c), NSR Permit No. 20137, General Condition</p>	<p>Total Assessed: \$46,291</p> <p>Total Deferred: \$9,258 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$37,033</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order, conduct the annual evaluation of the catalyst degradation for Emission Point No. CM-20 to demonstrate compliance with NSR Permit No. 5301;</p> <p>b. Within 30 days after the effective date of this Agreed Order, implement procedures designed to ensure timely submittal of annual compliance certifications and semi-annual deviation reports;</p> <p>c. Within 30 days after the effective date of this Agreed Order, submit revised deviation reports for all semi-annual reporting periods from January 13, 2004 to January 12, 2007;</p> <p>d. Within 45 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provisions a. and b.; and</p> <p>e. Within 60 days after the effective date of this Agreed Order, submit to the TCEQ Midland Regional Office for review and approval a written plan which addresses actions to be taken to improve sulfur dioxide reduction efficiency and maintain compliance with permitted sulfur dioxide emissions from the sulfur recovery unit. Within 30 days after receipt of written approval from the TCEQ, WTG shall implement the plan. Upon completion of the plan, submit written certification of compliance.</p>

<p>No. 8, Special Condition Nos. 1 and 5, 40 CODE OF FEDERAL REGULATIONS § 60.642(b) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>4) Failed to properly submit semi-annual deviation reports and include all instances of deviations. Specifically, semi-annual deviation reports for the reporting periods 7/13/04 though 1/12/05, 7/13/05 through 1/12/06, 1/13/06 through 7/12/06 and 7/13/06 through 1/12/07 did not include deviations for the late submittal of previous deviation reports and included incorrect reporting of instances where WTG failed to comply with minimum sulfur recovery unit efficiencies [30 TEX. ADMIN. CODE §§ 122.146(2), 122.145(2)(A), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>		
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Additional ID No(s): HT0016G



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision December 8, 2006

TCEQ

DATES	Assigned	9-Apr-2007	Screening	25-Apr-2007	EPA Due	19-Feb-2008
	PCW	16-Aug-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	WTG Gas Processing, L.P.		
Reg. Ent. Ref. No.	RN100211473		
Facility/Site Region	7-Midland	Major/Minor Source	Major

CASE INFORMATION				
Enf./Case ID No.	33455	No. of Violations	4	
Docket No.	2007-0722-AIR-E	Order Type	1660	
Media Program(s)	Air Quality	Enf. Coordinator	Jessica Rhodes	
Multi-Media		EC's Team	EnforcementTeam 4	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History Subtotals 2, 3, & 7

Notes

Culpability Subtotal 4

Notes

Good Faith Effort to Comply Subtotal 5

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="checkbox"/>	(mark with x)

Notes

0% Enhancement* Subtotal 6

Total EB Amounts	\$1,548
Approx. Cost of Compliance	\$9,500

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty

DEFERRAL Adjustment

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

PAYABLE PENALTY

Screening Date 25-Apr-2007

Docket No. 2007-0722-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 33455

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100211473

Media [Statute] Air Quality

Enf. Coordinator Jessica Rhodes

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOV's with same or similar violations as those in the current enforcement action (number of NOV's meeting criteria)	0	0%
	Other written NOV's	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<i>Please Enter Yes, or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 19%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Compliance history enhancement due to one 1660-style agreed order. Reduction due to one notice of audit.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 19%

Screening Date 25-Apr-2007

Docket No. 2007-0722-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 33455

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100211473

Media [Statute] Air Quality

Enf. Coordinator Jessica Rhodes

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 122.146(2), 122.145(2)(A) and (C), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit an annual certification and semi-annual deviation reports within 30 days and submit all instances of deviations. Specifically, the annual certification for the period 1/13/05 through 1/12/06 and the semi-annual deviation reports for the periods 1/13/04 through 7/12/04 and 1/13/05 through 7/12/05 were not submitted within 30 days and failed to include all instances of failure to comply with minimum sulfur recovery unit efficiencies.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes

Respondent failed to meet 100% of the rule requirement.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 3

729 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$7,500

Three single events are recommended for three reporting periods.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$339

Violation Final Penalty Total \$8,925

This violation Final Assessed Penalty (adjusted for limits) \$8,925

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.
Case ID No. 33455
Reg. Ent. Reference No. RN100211473
Media Air Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB, Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System	\$1,500	11-Aug-2004	31-Dec-2007	3.4	\$254	n/a	\$254
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$500	11-Aug-2004	31-Dec-2007	3.4	\$85	n/a	\$85

Notes for DELAYED costs

Estimated costs to implement a record keeping system designed to ensure timely and proper reporting and to submit revised deviation reports. Date required is the due date for the first deviation report for the reporting period 1/13/04 to 7/12/04. Final date is the expected date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$339

Screening Date 25-Apr-2007

Docket No. 2007-0722-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 33455

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100211473

Media [Statute] Air Quality

Enf. Coordinator Jessica Rhodes

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), NSR Permit No. 5301, Special Condition No. 6B, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to perform the annual evaluation of the catalyst degradation for Emission Point No. CM-20.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Failure to evaluate catalyst degradation could result in the release of an insignificant amount of pollutants which would not exceed levels protective of human health or the environment.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

365 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	x
single event		

Violation Base Penalty \$1,000

One annual event is recommended for the 12 month period preceding the investigation date.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$218

Violation Final Penalty Total \$1,190

This violation Final Assessed Penalty (adjusted for limits) \$1,190

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.
Case ID No. 33455
Reg. Ent. Reference No. RN100211473
Media Air Quality
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$2,500	4-Apr-2006	31-Dec-2007	1.7	\$218	n/a	\$218

Notes for DELAYED costs

Estimated cost to conduct an annual catalyst degradation evaluation. Date required is one year prior to the investigation date of 4/4/07. Final date is the expected date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,500

TOTAL

\$218

Screening Date 25-Apr-2007

Docket No. 2007-0722-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 33455

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100211473

Media [Statute] Air Quality

Enf. Coordinator Jessica Rhodes

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1), 116.115(b)(2)(F) and (c), NSR Permit No. 20137, General Condition No. 8, Special Condition Nos. 1 and 5, 40 CFR § 60.642(b), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent the exceedance of sulfur dioxide and maintaining sulfur dioxide reduction efficiency above the 74% federal minimum requirement and 94% permitted minimum requirement for the reporting periods 1/13/04 to 1/12/07.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Failure to maintain the minimum reduction efficiency of sulfur dioxide has resulted in human health and the environment being exposed to an insignificant amount of pollutants which did not exceed levels protective of human health and the environment.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 12

1095 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$30,000

Twelve quarterly events are recommended for the reporting period.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$992

Violation Final Penalty Total \$35,700

This violation Final Assessed Penalty (adjusted for limits) \$35,700

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.
Case ID No. 33455
Reg. Ent. Reference No. RN100211473
Media Air Quality
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$5,000	13-Jan-2004	31-Dec-2007	4.0	\$992	n/a	\$992

Notes for DELAYED costs
 Estimated cost to make improvements to the sulfur recovery unit to improve sulfur dioxide reduction efficiencies. Date required is the first day of the deviation reporting period 1/13/04 to 7/12/04. Final date is the expected date of compliance.

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs
 (This section is currently blank.)

Approx. Cost of Compliance \$5,000
TOTAL \$992

Screening Date 25-Apr-2007

Docket No. 2007-0722-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 33455

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100211473

Media [Statute] Air Quality

Enf. Coordinator Jessica Rhodes

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 122.146(2), 122.145(2)(A), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to properly submit semi-annual deviation reports and include all instances of deviations. Specifically, semi-annual deviation reports for the reporting periods 7/13/04 through 1/12/05, 7/13/05 through 1/12/06, 1/13/06 through 7/12/06 and 7/13/06 through 1/12/07 did not include deviations for the late submittal of previous deviation reports and included incorrect reporting of instances where WTG failed to comply with minimum sulfur recovery unit efficiencies.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes

Greater than 70% of the rule requirement was met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 4

731 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$400

Four single events are recommended for the four reporting periods.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$476

This violation Final Assessed Penalty (adjusted for limits) \$476

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.
Case ID No. 33455
Reg. Ent. Reference No. RN100211473
Media Air Quality
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See Economic Benefit for violation 1.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Compliance History

Customer/Respondent/Owner-Operator: CN600125439 WTG Gas Processing, L.P. Classification: AVERAGE Rating: 8.10
 Regulated Entity: RN100211473 EAST VEALMOOR GAS PLANT Classification: AVERAGE Site Rating: 35.80

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	HT0016G
AIR OPERATING PERMITS	PERMIT	625
AIR NEW SOURCE PERMITS	PERMIT	1816
AIR NEW SOURCE PERMITS	PERMIT	5301
AIR NEW SOURCE PERMITS	PERMIT	8461
AIR NEW SOURCE PERMITS	PERMIT	20137
AIR NEW SOURCE PERMITS	PERMIT	27064
AIR NEW SOURCE PERMITS	PERMIT	37218
AIR NEW SOURCE PERMITS	PERMIT	47146
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HT0016G
AIR NEW SOURCE PERMITS	AFS NUM	4822700003

Location: 8 MI W OF THE INTERSECTION OF TX HWY 350 ON FARM ROAD 846 AND ONE MILE NORTH ON A LEASE ROAD IN HOWARD COUNTY Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 07 - MIDLAND

Date Compliance History Prepared: April 25, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: April 25, 2002 to April 25, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Jessica Rhodes Phone: 512-239-2879

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? Yes
3. If Yes, who is the current owner? WTG Gas Processing, L.P.
4. If Yes, who was/were the prior owner(s)? Texaco Exploration and Production, Inc.
Chevron U.S.A, Inc.
5. When did the change(s) in ownership occur? 3/10/2003

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 07/15/2005 ADMINORDER 2004-1629-AIR-E
 Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)
 30 TAC Chapter 122, SubChapter B 122.146[G]

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit complete and timely Annual Federal Operating PCC and associated DRs for March 10, 2003 to January 12, 2004

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Permit No. 20137, Special Condition 8 PERMIT

Description: Failed to maintain the maximum pounds/hour (lbs/hr) allowable emission rate for sulfur dioxide

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Permit No. 20137, Special Condition 4 PERMIT

Description: Failed to maintain the minimum sulfur recovery efficiency rate based on the amount of sulfur being processed

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Permit No. 20137, Special Condition 1 PERMIT
Description: Failed to conduct monthly leak detection monitoring for VOC emissions

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	06/19/2002	(83502)
2	06/10/2004	(275008)
3	09/29/2004	(290893)
4	01/20/2006	(377556)
5	05/18/2006	(466719)
6	04/04/2007	(555226)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

F. Environmental audits.

Notice of Intent Date: 10/28/2003 (263212)
No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
WTG GAS PROCESSING, L.P.
RN100211473**

§
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§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-0722-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding WTG Gas Processing, L.P. ("WTG") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and WTG appear before the Commission and together stipulate that:

1. WTG owns and operates an oil and gas facility eight miles west of the intersection of Texas Highway 350 on Farm Road 846 and one mile north on a lease road in Howard County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and WTG agree that the Commission has jurisdiction to enter this Agreed Order, and that WTG is subject to the Commission's jurisdiction.
4. WTG received notice of the violations alleged in Section II ("Allegations") on or about April 9, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by WTG of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Forty-Six Thousand Two Hundred Ninety-One Dollars (\$46,291) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). WTG has paid Thirty-Seven Thousand Thirty-Three Dollars (\$37,033) of the

administrative penalty and Nine Thousand Two Hundred Fifty-Eight Dollars (\$9,258) is deferred contingent upon WTG's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If WTG fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require WTG to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and WTG have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that WTG has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, WTG is alleged to have:

1. Failed to submit an annual certification and semi-annual deviation reports within 30 days and submit all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.146(2), 122.145(2)(A) and (C), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 13, 2007. Specifically, the annual certification for the period 1/13/05 through 1/12/06 and the semi-annual deviation reports for the periods 1/13/04 through 7/12/04 and 1/13/05 through 7/12/05 were not submitted within 30 days and failed to include all instances of failure to comply with minimum sulfur recovery unit efficiencies.
2. Failed to perform the annual evaluation of the catalyst degradation for Emission Point No. CM-20, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 5301, Special Condition No. 6B and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 13, 2007.
3. Failed to prevent the exceedance of sulfur dioxide and maintaining sulfur dioxide reduction efficiency above the 74% federal minimum requirement and 94% permitted minimum requirement for the reporting periods January 13, 2004 to January 12, 2007, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 116.115(b)(2)(F) and (c), NSR Permit No. 20137, General Condition No. 8, Special Condition Nos. 1 and 5, 40 CODE OF FEDERAL REGULATIONS § 60.642(b) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 13, 2007.

4. Failed to properly submit semi-annual deviation reports and include all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.146(2), 122.145(2)(A), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 13, 2007. Specifically, semi-annual deviation reports for the reporting periods 7/13/04 through 1/12/05, 7/13/05 through 1/12/06, 1/13/06 through 7/12/06 and 7/13/06 through 1/12/07 did not include deviations for the late submittal of previous deviation reports and included incorrect reporting of instances where WTG failed to comply with minimum sulfur recovery unit efficiencies.

III. DENIALS

WTG generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that WTG pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and WTG's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: WTG Gas Processing, L.P., Docket No. 2007-0722-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. It is further ordered that WTG shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, conduct the annual evaluation of the catalyst degradation for Emission Point No. CM-20 to demonstrate compliance with NSR Permit No. 5301;
 - b. Within 30 days after the effective date of this Agreed Order, implement procedures designed to ensure timely submittal of annual compliance certifications and semi-annual deviation reports;
 - c. Within 30 days after the effective date of this Agreed Order, submit revised deviation reports for all semi-annual reporting periods from January 13, 2004 to January 12, 2007, to the address listed in Ordering Provision No. 2.f.;
 - d. Within 45 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provision Nos. 2a. and 2.b., in accordance with Ordering Provision No. 2.f.;

- e. Within 60 days after the effective date of this Agreed Order, submit to the TCEQ Midland Regional Office for review and approval a written plan which addresses actions to be taken to improve sulfur dioxide reduction efficiency and maintain compliance with permitted sulfur dioxide emissions from the sulfur recovery unit. Within 30 days after receipt of written approval from the TCEQ, WTG shall implement the plan. Upon completion of the plan, submit written certification of compliance in accordance with Ordering Provision 2.f.; and
- f. The certifications and documentation required by Ordering Provision Nos. 2.c. through 2.e. shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certifications and documentation shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section, Manager
Midland Regional Office
Texas Commission on Environmental Quality
3300 North A Street, Building 4, Suite 107
Midland, Texas 79705-5404

3. The provisions of this Agreed Order shall apply to and be binding upon WTG. WTG is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If WTG fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, WTG's failure to comply is not a violation of this Agreed Order. WTG shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. WTG shall notify the Executive Director within seven days after WTG becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by WTG shall be made in

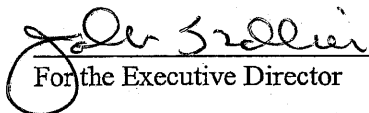
writing to the Executive Director. Extensions are not effective until WTG receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. This Agreed Order, issued by the Commission, shall not be admissible against WTG in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to WTG, or three days after the date on which the Commission mails notice of the Order to WTG, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

Date 11/13/07

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me;
- and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

Date 8-20-07

J. L. Davis

Name (Printed or typed)
Authorized Representative of
WTG Gas Processing, L.P.



Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

