

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2008-0911-AIR-E **TCEQ ID:** RN101271419 **CASE NO.:** 35995

RESPONDENT NAME: Copano 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: Copano Processing Houston Central Gas Plant, 1650 County Road 255 South, Sheridan, Colorado County</p> <p>TYPE OF OPERATION: Natural gas processing, dehydration, and fractionation plant</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 6, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Roshondra Lowe, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3553; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Charles Witte, Plant Manager, Copano Processing, L.P., 1650 County Road 255 South, Sheridan, Texas 77475 Ms. K.S. DeYoung, Vice President, Copano Processing, L.P., 1650 County Road 255 South, Sheridan, Texas 77475 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 21, 2008</p> <p>Date of NOV/NOE Relating to this Case: May 5, 2008 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failure to submit a semi-annual deviation report within 30 days after the reporting period. Specifically, the semi-annual deviation report for the reporting period September 2, 2006 to March 1, 2007 was due on March 31, 2007, but was not received until August 22, 2007 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-00807, General Terms and Conditions].</p> <p>2) Failure to submit a semi-annual deviation report within 30 days after the reporting period. Specifically, the semi-annual deviation report for the reporting period September 2, 2006 to March 1, 2007 was due on March 31, 2007, but was not received until August 22, 2007 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), TEX. HEALTH & SAFETY CODE § 382.085(b), and General Operating Permit No. O-00871, Site-wide requirements (b)(2)].</p>	<p>Total Assessed: \$6,250</p> <p>Total Deferred: \$1,250 <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: \$5,000</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>Corrective Actions Taken:</p> <p>The Executive Director recognizes that on August 22, 2007, the Respondent submitted the semi-annual deviation reports for the period of September 2, 2006 to March 1, 2007.</p>

Additional ID No(s): CR0020C



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision April 29, 2008

DATES	Assigned	13-May-2008	Screening	29-May-2008	EPA Due	16-Mar-2009
	PCW	4-Jun-2008				

RESPONDENT/FACILITY INFORMATION			
Respondent	Copano Processing, L.P.		
Reg. Ent. Ref. No.	RN101271419		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	35995	No. of Violations	2
Docket No.	2008-0911-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	Sidney Wheeler
Multi-Media		EC's Team	Enforcement Team 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 Enhancement Subtotals 2, 3, & 7

Notes

Culpability Enhancement Subtotal 4

Notes

Good Faith Effort to Comply Reduction Subtotal 5

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input checked="" type="checkbox"/>	<input type="text"/>
N/A	<input type="text"/>	(mark with x)

Notes

Total EB Amounts Enhancement* Subtotal 6
*Capped at the Total EB \$ Amount
Approx. Cost of Compliance

SUM OF SUBTOTALS 1-7 Final Subtotal

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty

DEFERRAL Reduction Adjustment

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

Notes

PAYABLE PENALTY

Screening Date 29-May-2008

Docket No. 2008-0911-AIR-E

PCW

Respondent Copano Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 35995

PCW Revision April 29, 2008

Reg. Ent. Reference No. RN101271419

Media [Statute] Air

Enf. Coordinator Sidney Wheeler

Compliance History Worksheet

>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	2	10%
	Other written NOVs	10	20%
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 judgements 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)	0	0%
	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%

Please Enter Yes or No

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) 50%

>> **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

Enhancement due to two similar and ten dissimilar Notice of Violations and one enforcement order containing a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 50%

Screening Date 29-May-2008	Docket No. 2008-0911-AIR-E	PCW
Respondent Copano Processing, L.P.	<small>Policy Revision 2 (September 2002)</small>	
Case ID No. 35995	<small>PCW Revision April 29, 2008</small>	
Reg. Ent. Reference No. RN101271419		
Media [Statute] Air		
Enf. Coordinator Sidney Wheeler		
Violation Number <input type="text" value="1"/>		
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(C), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit No. O-00807, General Terms and Conditions	
Violation Description	Failed to submit a semi-annual deviation report within 30 days after the reporting period. Specifically, the semi-annual deviation report for the reporting period September 2, 2006 to March 1, 2007 was due on March 31, 2007, but was not received until August 22, 2007.	
Base Penalty		<input type="text" value="\$10,000"/>

>> Environmental, Property and Human Health Matrix

OR	Harm				
	Release	Major	Moderate		Minor
	Actual	<input type="text"/>	<input type="text"/>		<input type="text"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
				Percent <input type="text" value="0%"/>	

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
	.	x	<input type="text"/>	<input type="text"/>	
				Percent <input type="text" value="25%"/>	
Matrix Notes	100% of the rule was not met.				

Adjustment

Violation Events

Number of Violation Events Number of violation days

<small>mark only one with an x</small>	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input type="text"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input checked="" type="text" value="x"/>

Violation Base Penalty

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Copano Processing, L.P.
Case ID No. 35995
Reg. Ent. Reference No. RN101271419
Media Air
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
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	31-Mar-2007	22-Aug-2007	0.39	\$10	n/a	\$10

Notes for DELAYED costs

Estimated cost to submit the semi-annual deviation report. Date required is the date the semi-annual deviation report was due. Final date is the date the semi-annual deviation report was submitted.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$10

Screening Date 29-May-2008	Docket No. 2008-0911-AIR-E	PCW
Respondent Copano Processing, L.P.		<small>Policy Revision 2 (September 2002)</small>
Case ID No. 35995		<small>PCW Revision April 29, 2008</small>
Reg. Ent. Reference No. RN101271419		
Media [Statute] Air		
Enf. Coordinator Sidney Wheeler		
Violation Number <input type="text" value="2"/>		
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(C), Tex. Health & Safety Code § 382.085(b), and General Operating Permit No. O-00871, Site-wide requirements (b)(2)	
Violation Description	Failed to submit a semi-annual deviation report within 30 days after the reporting period. Specifically, the semi-annual deviation report for the reporting period September 2, 2006 to March 1, 2007 was due on March 31, 2007, but was not received until August 22, 2007.	
	Base Penalty	<input type="text" value="\$10,000"/>

>> Environmental, Property and Human Health Matrix

OR	Harm					
	Release	Major	Moderate	Minor		Percent <input type="text" value="0%"/>
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>		
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>			

>> Programmatic Matrix

	Falsification					
		Major	Moderate	Minor		Percent <input type="text" value="25%"/>
	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text"/>		
Matrix Notes	100% of the rule was not met.					

Adjustment

Violation Events

Number of Violation Events <input type="text" value="1"/>	<input type="text" value="144"/>	Number of violation days												
<table border="1" style="border-collapse: collapse;"> <tr><td style="width:20px;">daily</td><td><input type="text"/></td></tr> <tr><td>monthly</td><td><input type="text"/></td></tr> <tr><td>quarterly</td><td><input type="text"/></td></tr> <tr><td>semiannual</td><td><input type="text"/></td></tr> <tr><td>annual</td><td><input type="text"/></td></tr> <tr><td>single event</td><td style="text-align: center;"><input checked="" type="checkbox"/></td></tr> </table>	daily	<input type="text"/>	monthly	<input type="text"/>	quarterly	<input type="text"/>	semiannual	<input type="text"/>	annual	<input type="text"/>	single event	<input checked="" type="checkbox"/>		Violation Base Penalty <input type="text" value="\$2,500"/>
daily	<input type="text"/>													
monthly	<input type="text"/>													
quarterly	<input type="text"/>													
semiannual	<input type="text"/>													
annual	<input type="text"/>													
single event	<input checked="" type="checkbox"/>													

One single event is recommended.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$10"/>	Violation Final Penalty Total <input type="text" value="\$3,125"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$3,125"/>	

Economic Benefit Worksheet

Respondent Copano Processing, L.P.
Case ID No. 35995
Reg. Ent. Reference No. RN101271419
Media Air
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
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	31-Mar-2007	22-Aug-2007	0.39	\$10	n/a	\$10

Notes for DELAYED costs

Estimated cost to submit the semi-annual deviation report. Date required is the date the semi-annual deviation report was due. Final date is the date the semi-annual deviation report was submitted.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$10

Compliance History

Customer/Respondent/Owner-Operator:	CN601465255 Copano Processing, L.P.	Classification: AVERAGE	Rating: 1.59
Regulated Entity:	RN101271419 COPANO PROCESSING HOUSTON CENTRAL GAS PLT	Classification: AVERAGE	Site Rating: 1.59
ID Number(s):	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	0450051
	AIR NEW SOURCE PERMITS	PERMIT	51514
	AIR NEW SOURCE PERMITS	PERMIT	17154
	AIR NEW SOURCE PERMITS	REGISTRATION	76294
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	CR0020C
	AIR NEW SOURCE PERMITS	AFS NUM	4808900001
	AIR NEW SOURCE PERMITS	PERMIT	17117
	AIR NEW SOURCE PERMITS	PERMIT	56613
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX709M1
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX706
	AIR NEW SOURCE PERMITS	REGISTRATION	50221
	AIR NEW SOURCE PERMITS	REGISTRATION	33867
	AIR NEW SOURCE PERMITS	REGISTRATION	10089
	AIR NEW SOURCE PERMITS	EPA ID	P709
	AIR OPERATING PERMITS	ACCOUNT NUMBER	CR0020C
	AIR OPERATING PERMITS	PERMIT	807
	AIR OPERATING PERMITS	PERMIT	871
	WATER LICENSING	LICENSE	0450051
Location:	1650 COUNTY RD 255 SOUTH, SHERIDAN, TX, 77475		Rating Date: September 01 07 Repeat Violator: NO
TCEQ Region:	REGION 12 - HOUSTON		
Date Compliance History Prepared:	May 28, 2008		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	May 28, 2003 to May 28, 2008		

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

Name: Sidney Wheeler Phone: (512) 239-4969

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? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

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

Effective Date: 03/19/2007

ADMINORDER 2006-1601-AIR-E

Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(B)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: General Terms and Conditions OP

Description: Failure to submit a semi annual deviation report.

- 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 06/30/2003 (126863)

2 07/21/2003 (10869)

3 08/20/2003 (150531)
 4 08/26/2003 (151129)
 5 03/22/2004 (251408)
 6 03/26/2004 (263512)
 7 03/30/2004 (266961)
 8 12/09/2004 (336114)
 9 12/09/2004 (336117)
 10 12/09/2004 (336169)
 11 03/23/2005 (373916)
 12 05/05/2005 (379600)
 13 06/10/2005 (373918)
 14 07/19/2006 (558784)
 15 08/30/2006 (480123)
 16 11/03/2006 (560236)
 17 02/28/2007 (532796)
 18 03/01/2007 (560239)
 19 05/16/2007 (557666)
 20 05/21/2007 (560627)
 21 05/21/2007 (652398)
 22 05/30/2007 (555434)
 23 05/31/2007 (562611)
 24 08/09/2007 (652596)
 25 08/31/2007 (574463)
 26 11/12/2007 (652951)
 27 12/14/2007 (609206)
 28 01/31/2008 (651980)
 29 05/05/2008 (610641)
 30 05/05/2008 (610643)
 31 05/08/2008 (638106)

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

Date: 07/22/2003 (10869)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)

Description: Failure to submit an annual compliance certification within 30 days after the end of the certification period.

Date: 03/23/2005 (379600)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(4)

Description: Failure to repair or replace the leaking valve located at well #3 near the pressure gauge.

Date: 05/05/2005 (373918)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(C)

Description: Failure to submit deviation report on time.

Date: 07/19/2006 (558784)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.106(f)(3)(C)

5A THSC Chapter 341, SubChapter A 341.0315(c)

Description: Violated the maximum contaminant level for arsenic during the second quarter of 2006.

Date: 11/03/2006 (560236)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.106(f)(3)(C)

5A THSC Chapter 341, SubChapter A 341.0315(c)

Description: Violated the maximum contaminant level for arsenic during the third quarter of 2006.

Date: 03/01/2007 (560239)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.106(f)(3)(C)

5A THSC Chapter 341, SubChapter A 341.0315(c)

Description: Violated the maximum contaminant level for arsenic during the fourth quarter of 2006.

Date: 05/14/2007 (557666)

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)
Description: Failure to properly maintain the regulated entity by not repairing or replacing the broken barbed wire on the two fences surrounding the #4 & #5 and #1 & #2 well sites.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.41(c)(3)(J)
Description: Failure to provide the wells with a concrete sealing block extending at least 3 feet from the exterior well casing in all directions. The finished slab must have a minimum dimension of 6 feet plus the outside diameter of the well casing, a minimum thickness of 6 inches, and must be sloped to drain away from the well head at not less than 0.25 inches per foot.

Date: 05/18/2007 (555434)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PERMIT Permit 56613, Special Condition 1
Description: Copano failed to install emission controls on Boiler 3 by March 1, 2007 as stated in Special Condition #3 in Permit Number 56613.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PERMIT 56613, Special Condition 3
Description: Copano failed to install emission controls on Boiler 3 by March 1, 2007 as stated in Special Condition #3 in Permit Number 56613.

Date: 05/21/2007 (652398)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.106(f)(3)
Description: ARSENIC

Date: 08/09/2007 (652596)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.106(f)(3)
Description: ARSENIC

Date: 11/12/2007 (652951)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.106(f)(3)
Description: ARSENIC

Date: 01/31/2008 (651980)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.106(f)(3)
Description: ARSENIC

F. Environmental audits.

N/A

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
COPANO PROCESSING, L.P.
RN101271419

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2008-0911-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 Copano Processing, L.P. ("the Respondent") 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 the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a a natural gas processing, dehydration, and fractionation plant at 1650 County Road 255 South in Sheridan, Colorado 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 the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about May 10, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Six Thousand Two Hundred Fifty Dollars (\$6,250) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). the Respondent has paid Five Thousand Dollars (\$5,000) of the administrative penalty and One

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for ensuring transparency and accountability in financial operations.

2. The second part of the document outlines the various methods and tools used for data collection and analysis. It highlights the need for consistent and reliable data sources to support informed decision-making.

3. The third part of the document focuses on the implementation of internal controls and risk management strategies. It provides detailed guidance on how to identify potential risks and establish effective control mechanisms to mitigate them.

4. The fourth part of the document addresses the importance of regular communication and reporting. It stresses that timely and accurate reporting is crucial for keeping stakeholders informed and ensuring that the organization remains on track with its goals.

5. The fifth part of the document discusses the role of technology in modern financial management. It explores how digital tools and software can streamline processes, improve efficiency, and enhance the accuracy of financial data.

6. The sixth part of the document covers the importance of staying up-to-date with industry trends and regulations. It encourages organizations to continuously monitor market developments and regulatory changes to ensure compliance and maintain a competitive edge.

7. The seventh part of the document provides a summary of the key points discussed throughout the document. It reiterates the importance of a holistic approach to financial management, combining sound practices with innovative technology and effective communication.

8. The final part of the document offers concluding remarks and a call to action. It encourages all stakeholders to work together to implement the best practices outlined in the document, ensuring the long-term success and sustainability of the organization.

Thousand Two Hundred Fifty Dollars (\$1,250) is deferred contingent upon the Respondent'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 the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent 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 the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that on August 22, 2007, the Respondent submitted the semi-annual deviation reports for the period of September 2, 2006 to March 1, 2007.
10. 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 the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. 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.
12. 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, the Respondent is alleged to have failed to:

1. Submit a semi-annual deviation report within 30 days after the reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-00807, General Terms and Conditions, as documented during an investigation conducted on February 21, 2008. Specifically, the semi-annual deviation report for the reporting period September 2, 2006 to March 1, 2007 was due on March 31, 2007, but was not received until August 22, 2007.
2. Submit a semi-annual deviation report within 30 days after the reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), TEX. HEALTH & SAFETY CODE § 382.085(b), and General Operating Permit No. O-00871, Site-wide requirements^v(b)(2), as documented during an investigation conducted on February 21, 2008. Specifically, the semi-annual deviation report for the reporting period September 2, 2006 to March 1, 2007 was due on March 31, 2007, but was not received until August 22, 2007.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud.

2. The second part of the document outlines the various methods used to collect and analyze data. It describes the use of statistical techniques to identify trends and anomalies in the data, and the importance of using reliable sources of information.

3. The third part of the document discusses the role of the auditor in the process. It explains that the auditor's primary responsibility is to provide an independent and objective assessment of the financial statements. This involves a thorough review of the records and a comparison of the results with the applicable accounting standards.

4. The fourth part of the document discusses the importance of communication in the auditing process. It emphasizes that the auditor must maintain open and honest communication with the client throughout the process. This includes providing regular updates on the progress of the audit and discussing any issues that arise.

5. The fifth part of the document discusses the importance of documentation in the auditing process. It explains that the auditor must maintain a complete and accurate record of all work performed. This includes the audit plan, the audit program, the audit working papers, and the final audit report.

6. The sixth part of the document discusses the importance of ethics in the auditing process. It explains that the auditor must adhere to a strict code of ethics and maintain the highest level of integrity. This includes avoiding conflicts of interest and maintaining confidentiality of the client's information.

7. The seventh part of the document discusses the importance of continuous learning in the auditing process. It explains that the auditor must stay up-to-date on the latest developments in the field and seek out opportunities for professional development. This includes attending seminars, conferences, and taking courses.

8. The eighth part of the document discusses the importance of teamwork in the auditing process. It explains that the auditor must work closely with the client's staff to ensure that the audit is completed efficiently and effectively. This involves clear communication, delegation of tasks, and mutual respect.

9. The ninth part of the document discusses the importance of risk management in the auditing process. It explains that the auditor must identify and assess the risks associated with the audit and take steps to mitigate them. This includes identifying areas of high risk and focusing more resources on those areas.

10. The tenth part of the document discusses the importance of quality control in the auditing process. It explains that the auditor must implement a robust quality control system to ensure that the audit is performed in accordance with the applicable standards. This includes regular monitoring and evaluation of the audit process and the implementation of corrective actions when necessary.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent'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: Copano Processing, L.P., Docket No. 2008-0911-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. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent 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.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent 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.
4. 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.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud. The text notes that without reliable records, it would be difficult to track the flow of funds and identify any irregularities.

2. The second part of the document focuses on the role of internal controls in ensuring the accuracy of financial reporting. It describes how internal controls are designed to prevent errors and detect any unauthorized transactions. The text highlights that a strong internal control system is a key component of an organization's risk management strategy and is necessary to ensure the reliability of its financial statements.

3. The third part of the document discusses the importance of transparency and accountability in financial reporting. It notes that organizations should provide clear and concise information about their financial performance and the underlying transactions. This transparency is crucial for building trust with investors, creditors, and other stakeholders. The text also emphasizes the need for organizations to be held accountable for their financial reporting practices and to take corrective action when any deficiencies are identified.

4. The fourth part of the document discusses the importance of regular audits in ensuring the accuracy of financial reporting. It notes that audits provide an independent and objective assessment of an organization's financial statements and internal controls. The text highlights that regular audits are essential for identifying any weaknesses in the internal control system and for ensuring that the financial reporting process is compliant with applicable laws and regulations. The text also emphasizes the need for organizations to cooperate fully with auditors and to address any findings in a timely and effective manner.

5. The fifth part of the document discusses the importance of ongoing monitoring and evaluation of financial reporting practices. It notes that organizations should regularly review their financial reporting processes and internal controls to ensure they remain effective and up-to-date. The text highlights that ongoing monitoring and evaluation are essential for identifying any changes in the business environment that may require adjustments to the internal control system. The text also emphasizes the need for organizations to maintain a culture of continuous improvement and to seek out opportunities for enhancing the accuracy and reliability of their financial reporting.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John S. Miller
For the Executive Director

9/26/2008
Date

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

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- 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;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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

R. S. DeYoung
Signature

7/17/08
Date

R. S. DeYoung
Name (Printed or typed)
Authorized Representative of
Copano Processing, L.P.

Vice President
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.

