EXECUTIVE SUMMARY - ENFORCEMENT MATTER

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

RESPONDENT NAME: Copano Processing, L.P.

ORDER TYPE:		
X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
X AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
__PUBLIC WATER SUPPLY	__PETROLEUM STORAGE TANKS	__OCCUPATIONAL CERTIFICATION
__WATER QUALITY	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL
__MUNICIPAL SOLID WASTE	__RADIOACTIVE WASTE	__DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Copano Processing Houston Central Gas Plant, 1650 County Road 255 South, Sheridan, Colorado County

TYPE OF OPERATION: Natural gas processing, dehydration, and fractionation plant

SMALL BUSINESS: ___ Yes __X__ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on October 6, 2008. No comments were received.

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

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: ___ Complaint _X_ Routine ___ Enforcement Follow-up ___ Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** February 21, 2008 **Date of NOV/NOE Relating to this Case:** May 5, 2008 (NOE) **Background Facts:** This was a routine investigation. **AIR** 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]. 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)].	**Total Assessed:** $6,250 **Total Deferred:** $1,250 _X_ Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $5,000 **Site Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Person Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Major Source:** _X_ Yes ___ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** 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.

Additional ID No(s).: CR0020C

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) — *PCW Revision April 29, 2008*

TCEQ

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

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* $5,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — 50.0% Enhancement — *Subtotals 2, 3, & 7* $2,500

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

Culpability — No — 0.0% Enhancement — *Subtotal 4* $0

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply — 25.0% Reduction — *Subtotal 5* $1,250

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes: The Respondent achieved compliance on August 22, 2007.

0.0% Enhancement* — *Subtotal 6* $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$20
Approx. Cost of Compliance	$1,000

SUM OF SUBTOTALS 1-7 — *Final Subtotal* $6,250

OTHER FACTORS AS JUSTICE MAY REQUIRE — 0.0% — *Adjustment* $0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount $6,250

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* $6,250

DEFERRAL — 20.0% Reduction — *Adjustment* -$1,250

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $5,000

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. *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

Violation Number 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 $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: 100% of the rule was not met.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 1 | 144 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $10

Statutory Limit Test

Violation Final Penalty Total $3,125

This violation Final Assessed Penalty (adjusted for limits) $3,125

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 (No commas or $)	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. *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

Violation Number 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 $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: 100% of the rule was not met.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 1 | 144 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $10

Statutory Limit Test

Violation Final Penalty Total $3,125

This violation Final Assessed Penalty (adjusted for limits) $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 (No commas or $)	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

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	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
COPANO PROCESSING, L.P.	§	
RN101271419	§	**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

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 (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.

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.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 9/26/2008
For the Executive Director 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.

_____ 7/17/08
Signature Date

K. S. DeYoung _____ Vice President
Name (Printed or typed) Title
Authorized Representative of
Copano Processing, L.P.

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.