EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2007-1477-AIR-E **TCEQ ID:** RN100214212 **CASE NO.:** 34604

RESPONDENT NAME: Targa Midstream Services Limited Partnership

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: Galena Park Terminal, 12801 American Petroleum Road, Galena Park, Harris County

TYPE OF OPERATION: Storage terminal

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 January 28, 2008. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Ms. Nadia Hameed, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3629; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171

Respondent: Mr. David Clark, Plant Manager, Targa Midstream Services Limited Partnership, 12801 American Petroleum Road, Galena Park, Texas 77547

Mr. Hunter Battle, Vice President, Targa Midstream Services Limited Partnership, 12801 American Petroleum Road, Galena Park, Texas 77547

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 ___ Routine ___ Enforcement Follow-up _X_ Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** June 8, 2007 **Date of NOV/NOE Relating to this Case:** August 21, 2007 (NOE) **Background Facts:** This was a routine investigation. **AIR** 1) Failure to prevent unauthorized emissions. Specifically, 1,390.04 pounds ("lbs") of volatile organic compounds were released when the Respondent exceeded the authorized emissions from the tank filling process which could have been prevented by better operation practices. The emissions event began on May 7, 2007, and lasted for 13 hours (Incident No. 91055). Since this emissions event was avoidable and was not reported within 24 hours of discovery, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(c), Air Permit No. 5414, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failure to notify the TCEQ within the required 24 hours of discovery. The emissions event occurred on May 7, 2007, but was not reported until May 11, 2007 (Incident No. 91055) [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $2,990 **Total Deferred:** $598 _X_ Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $2,392 **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 the Respondent has implemented the following corrective measures at the Plant: a. On August 28, 2007, the monitoring and alarm system was corrected and has been set to alarm in consecutive stages approaching the permitted 38.66 pounds per hour ("lbs/hr") limit for volatile organic compounds ("VOC"); and b. On May 11, 2007, the procedures determining whether an emissions event is reportable were reviewed and training conducted to ensure timely reporting of such events. **Ordering Provisions:** The Order will require the Respondent to: a. Within 30 days of the effective date of this Agreed Order, complete the installation of a back-up system to ensure that key personnel are notified in case of a signal failure between the existing monitoring and alarming system of controls; and b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision a.

Penalty Calculation Worksheet (PCW)

TCEQ

Policy Revision 2 (September 2002) — *PCW Revision June 26, 2007*

DATES					
Assigned	27-Aug-2007				
PCW	17-Sep-2007	Screening	7-Sep-2007	EPA Due	17-May-2008

RESPONDENT/FACILITY INFORMATION

Respondent	Targa Midstream Services Limited Partnership		
Reg. Ent. Ref. No.	RN100214212		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	34604	No. of Violations	2
Docket No.	2007-1477-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	Nadia Hameed
Multi-Media		EC's Team	EnforcementTeam 5
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* **$2,600**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — **15%** Enhancement — *Subtotals 2, 3, & 7* **$390**

Notes: Penalty enhancement due to three same or similar NOVs.

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

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply — **0%** Reduction — *Subtotal 5* **$0**

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

Notes: The Respondent does not meet the good faith criteria.

0% Enhancement* — *Subtotal 6* **$0**

**Capped at the Total EB $ Amount*

Total EB Amounts	$83
Approx. Cost of Compliance	$2,200

SUM OF SUBTOTALS 1-7 — *Final Subtotal* **$2,990**

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

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

Notes:

Final Penalty Amount **$2,990**

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* **$2,990**

DEFERRAL — **20%** Reduction — *Adjustment* **-$598**

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 **$2,392**

Screening Date 7-Sep-2007 **Docket No.** 2007-1477-AIR-E **PCW**
Respondent Targa Midstream Services Limited Partnership *Policy Revision 2 (September 2002)*
Case ID No. 34604 *PCW Revision June 26, 2007*
Reg. Ent. Reference No. RN100214212
Media [Statute] Air
Enf. Coordinator Nadia Hameed

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*)	3	15%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	0	0%
	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) 15%

>> 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

Penalty enhancement due to three same or similar NOVs.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 15%

PCW

Policy Revision 2 (September 2002)
PCW Revision June 26, 2007

Screening Date 7-Sep-2007 **Docket No.** 2007-1477-AIR-E
Respondent Targa Midstream Services Limited Partnership
Case ID No. 34604
Reg. Ent. Reference No. RN100214212
Media [Statute] Air
Enf. Coordinator Nadia Hameed
Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Air Permit No. 5414, Special Condition No. 1 and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, 1,390.04 pounds ("lbs") of volatile organic compounds were released when Targa Midstream Services exceeded the authorized emissions from the tank filling process which could have been prevented by better operation practices. The emissions event began on May 7, 2007, and lasted for 13 hours (Incident No. 91055). Since this emissions event was avoidable and was not reported within 24 hours of discovery, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

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: Human health or the environment has been exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 1 | 1 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $83

Statutory Limit Test

Violation Final Penalty Total $2,875

This violation Final Assessed Penalty (adjusted for limits) $2,875

Economic Benefit Worksheet

Respondent Targa Midstream Services Limited Partnership
Case ID No. 34604
Reg. Ent. Reference No. RN100214212
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	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)	$2,000	7-May-2007	5-Mar-2008	0.8	$83	n/a	$83

Notes for DELAYED costs: Cost to ensure that the monitoring and alarm system works correctly. Date required is the date of the emissions event. On August 28, 2007, Targa reprogrammed the computer alarm to trigger when VOC emissions approach the permitted limit. Final date is the date by which the installation of a new back-up system to monitor this function is expected to be completed.

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 $83

Screening Date 7-Sep-2007 **Docket No.** 2007-1477-AIR-E **PCW**

Respondent Targa Midstream Services Limited Partnership *Policy Revision 2 (September 2002)*

Case ID No. 34604 *PCW Revision June 26, 2007*

Reg. Ent. Reference No. RN100214212

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to notify the TCEQ within the required 24 hours of discovery. The emissions event occurred on May 7, 2007, but was not reported until May 11, 2007 (Incident No. 91055).

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: At least 70% of the rule requirement was met.

Adjustment $9,900

$100

Violation Events

Number of Violation Events 1

3 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $100

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $0

Statutory Limit Test

Violation Final Penalty Total $115

This violation Final Assessed Penalty (adjusted for limits) $115

Economic Benefit Worksheet

Respondent Targa Midstream Services Limited Partnership
Case ID No. 34604
Reg. Ent. Reference No. RN100214212
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				0.0	$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	$200	8-May-2007	11-May-2007	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	Estimated cost for reviewing and revising procedures to ensure that the emissions events are submitted in a timely manner. Date required is the date the report was due. Final date is the date when the procedures were reviewed and operators trained.						
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: $200

TOTAL: $0

Compliance History

Customer/Respondent/Owner-Operator:	CN601301559	Targa Midstream Services Limited Partnership	Classification: AVERAGE	Rating: 3.72
Regulated Entity:	RN100214212	GALENA PARK TERMINAL	Classification: AVERAGE	Site Rating: 0.33

ID Number(s):			
	AIR NEW SOURCE PERMITS	PERMIT	131
	AIR NEW SOURCE PERMITS	PERMIT	2052
	AIR NEW SOURCE PERMITS	PERMIT	5414
	AIR NEW SOURCE PERMITS	PERMIT	31709
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0786O
	AIR NEW SOURCE PERMITS	AFS NUM	4820100192
	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0786O
	AIR OPERATING PERMITS	PERMIT	614
	AIR OPERATING PERMITS	PERMIT	614

Location: 12801 AMERICAN PETROLEUM RD., GALENA PARK — Rating Date: September 01 06 — Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: August 31, 2007

Agency Decision Requiring Compliance: Enforcement

Compliance Period: August 30, 2002 to August 31, 2007

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

Name: NHameed Phone: 713-767-3629

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? Targa Midstream Services Limited Partnership
4. if Yes, who was/were the prior owner(s)? Warren Petroleum Company Limited
5. When did the change(s) in ownership occur? 09/03/2002

Components (Multimedia) for the Site :

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

N/A

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	09/03/2002	(10477)
2	01/15/2003	(11739)
3	06/02/2004	(251206)
4	08/28/2004	(266278)
5	11/18/2004	(340837)
6	01/04/2005	(345895)
7	01/20/2005	(336992)
8	02/27/2006	(418342)
9	02/27/2006	(407343)
10	02/27/2006	(406885)
11	02/27/2006	(407405)
12	03/15/2007	(542475)
13	08/21/2007	(568285)
14	08/29/2007	(543548)

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

Date: 09/05/2002 (10477)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter C 115.247(2)

Description: Partial submittal or maintenance of required data, documents, notifications, plans, or reports.

Date: 08/28/2004 (266278)

Self Report? NO Classification: Moderate

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

Rqmt Prov: PERMIT TCEQ Air Permit #5414, SC #1
Description: Exceeded VOC permit limit.
Date: 08/29/2007 (543548)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: OP FOP O-00614 Special Condition 3A(iv)(1)
Description: Failure to conduct quarterly visible emission observations on furnaces and heaters during April 30, 2006 to April 17, 2007.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter B 115.112(a)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: OP FOP O-0614 Special Condition 11
Description: Failure to install a fill pipe in the Motor Vehicle's Fuel Tank no greater than 6" from the tank's bottom.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 118 118.5(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to have an Emission Reduction Plan.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.142(b)(2)(A)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to include HRVOC rules in Title V O-00614.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: OP FOP O-0614 Special Condition 12A
Description: Failure to have current PBRs and SEs referenced in Title V O-00614 as applicable requirements.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(1)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(E)(i)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: OP FOP O-0614 Special Condition 12B
Description: Failure to maintain a copy of PBR 106.454 on site.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter H 101.401(a)
30 TAC Chapter 122, SubChapter B 122.132(e)(2)(A)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to submit a ECT-3H for Highly-Reactive Volatile Organic Compound Emissions Cap and Trade Level of Activity Certification Form.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter H 101.401(b)
30 TAC Chapter 122, SubChapter B 122.132(e)(2)(A)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to certify in the ECT-3H form, the level of activity for 12 consecutive months each process unit subject to this division.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter H 101.401(e)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to submit the maximum allowable emission rates of highly-reactive volatile organic compounds from facilities located at the site.

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	§	**BEFORE THE**
CONCERNING	§	
TARGA MIDSTREAM SERVICES	§	**TEXAS COMMISSION ON**
LIMITED PARTNERSHIP	§	
RN100214212	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2007-1477-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 Targa Midstream Services Limited Partnership ("Targa Midstream Services") 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 Targa Midstream Services appear before the Commission and together stipulate that:

1. Targa Midstream Services owns and operates a storage terminal at 12801 American Petroleum Road in Galena Park, Harris 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 Targa Midstream Services agree that the Commission has jurisdiction to enter this Agreed Order, and that Targa Midstream Services is subject to the Commission's jurisdiction.

4. Targa Midstream Services received notice of the violations alleged in Section II ("Allegations") on or about August 26, 2007.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Targa Midstream Services of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Two Thousand Nine Hundred Ninety Dollars ($2,990) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Targa Midstream Services has paid Two Thousand Three Hundred Ninety-Two Dollars ($2,392) of the administrative penalty and Five Hundred Ninety-Eight Dollars ($598) is deferred contingent upon Targa Midstream Services' 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 Targa Midstream Services fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Targa Midstream Services 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 Targa Midstream Services 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 Targa Midstream Services has implemented the following corrective measures at the Plant:

   a. On August 28, 2007, the monitoring and alarm system was corrected and has been set to alarm in consecutive stages approaching the permitted 38.66 pounds per hour ("lbs/hr") limit for volatile organic compounds ("VOC"); and

   b. On May 11, 2007, the procedures determining whether an emissions event is reportable were reviewed and training conducted to ensure timely reporting of such events.

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 Targa Midstream Services 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, Targa Midstream Services is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), Air Permit No. 5414, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on June 8, 2007. Specifically, 1,390.04 pounds ("lbs") of VOCs were released when Targa Midstream Services exceeded the authorized emissions limit from the tank filling process which could have been prevented by better operation practices. The emissions event began on May 7, 2007, and lasted for 13 hours (Incident No.

91055). Since this emissions event was avoidable and not reported within 24 hours of discovery, the demonstrations of 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.

2. Failed to notify the TCEQ within the required 24 hours of discovery, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on June 8, 2007. The emissions event occurred on May 7, 2007, but was not reported until May 11, 2007 (Incident No. 91055).

III. DENIALS

Targa Midstream Services generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Targa Midstream Services pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Targa Midstream Services' 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: Targa Midstream Services Limited Partnership, Docket No. 2007-1477-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 Targa Midstream Services shall undertake the following technical requirements:

   a. Within 30 days of the effective date of this Agreed Order, complete the installation of a back-up system to ensure that key personnel are notified in case of a signal failure between the existing monitoring and alarming system of controls; and

   b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

      "I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my

knowledge and belief, 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 certification 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
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

3. The provisions of this Agreed Order shall apply to and be binding upon Targa Midstream Services. Targa Midstream Services 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 Targa Midstream Services 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, Targa Midstream Services' failure to comply is not a violation of this Agreed Order. Targa Midstream Services shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Targa Midstream Services shall notify the Executive Director within seven days after Targa Midstream Services 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 Targa Midstream Services shall be made in writing to the Executive Director. Extensions are not effective until Targa Midstream Services 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 Targa Midstream Services 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 Targa Midstream Services, or three days after the date on which the Commission mails notice of the Order to Targa Midstream Services, 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

John Sadler
For the Executive Director

2/14/2008
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.

Signature

11-27-07
Date

HUNTER BATTLE
Name (Printed or typed)
Authorized Representative of
Targa Midstream Services Limited Partnership

VP
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.