

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2009-0734-AIR-E **TCEQ ID:** RN100245182 **CASE NO.:** 37640
RESPONDENT NAME: Davis Gas Processing, Inc.

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: Neleh Gas System, located on Highway 1901, McCamey, Crockett County</p> <p>TYPE OF OPERATION: Gas 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 November 9, 2009. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. John Muennink, Enforcement Division, Enforcement Team 5, MC R-14, (361) 825-3423; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387 Respondent: Mr. Bob Stewart, Environmental Coordinator, Davis Gas Processing, Inc., 211 North Colorado Street, Midland, Texas 79701 Mr. J. L. Davis, President, Davis Gas Processing, Inc., 211 North Colorado Street, Midland, Texas 79701 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: April 8, 2009</p> <p>Date of NOV/NOE Relating to this Case: May 6, 2009 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failure to submit a permit compliance certification ("PCC") in a timely manner. Specifically, a PCC was not submitted for the August 11, 2008 through December 2, 2008 certification period, when General Operating Permit No. O-369 was voided, until May 14, 2009 [30 TEX. ADMIN. CODE § 122.146(2) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failure to obtain authorization prior to operation. Specifically, White Superior 8G825 800 compressor engine was installed and began operation on May 1, 2007 to replace a smaller engine, emissions point number 3; however, it was not authorized until it was registered on May 7, 2009. Additionally, the application for Site Operating Permit O-3024, issued on December 2, 2008, represented the old engine instead of the new one [30 TEX. ADMIN. CODE §§ 116.110(a) and 122.121, TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 3024, Special Condition Nos. 5B and C].</p> <p>3) Failure to maintain records of repairs and replacements due to leaks in the hydrogen sulfide ("H2S") operations area [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 8816, Special Condition No. 11, and Permit No. 3024, Special Condition No. 5].</p>	<p>Total Assessed: \$36,085</p> <p>Total Deferred: \$7,217 <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: \$28,868</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 the Respondent:</p> <p>a. Provided the Plant with a recordkeeping form on April 8, 2009 and began using the recordkeeping form to keep records of the H2S operations area on April 9, 2009;</p> <p>b. Increased environmental staff by using additional contract environmental staff to organize, track and complete all required regulatory reports on May 1, 2009, in order to ensure the proper reporting of semi-annual deviation reports;</p> <p>c. Submitted the PCC for the August 11, 2008 through December 2, 2008 certification period on May 14, 2009;</p> <p>d. Registered the White Superior 8G825 800 compressor engine on May 7, 2009; and</p> <p>e. Submitted an off-permit change notification to incorporate the White Superior 8G825 800 compressor engine into Federal Operating Permit No. O-3024 on June 8, 2009.</p> <p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order, implement a complete and adequate fugitive monitoring program and recordkeeping system for components in VOC service; and</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision a.</p>

<p>4) Failure to maintain records adequate to demonstrate compliance with requirements to conduct fugitive monitoring for components in volatile organic compound ("VOC") service. Specifically, records provided during the investigation failed to identify component tag numbers, instrument reading background in parts per million and the actual reading. Additionally, the number of valves, flanges and relief valves listed in the monitoring records did not match the number of components listed in the emissions inventory [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 8816, Special Condition No. 12, and Permit No. 3024, Special Condition No. 5].</p> <p>5) Failure to report all instances of deviations in the August 11, 2007 to February 10, 2008 and the February 11, 2008 to August 10, 2008 semi-annual deviation reports [30 TEX. ADMIN. CODE § 122.145(2)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>		
---	--	--

Additional ID No(s): CZ0024D



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

DATES	Assigned	11-May-2009			
	PCW	18-Aug-2009	Screening	18-May-2009	EPA Due 5-Feb-2010

RESPONDENT/FACILITY INFORMATION	
Respondent	Davis Gas Processing, Inc.
Reg. Ent. Ref. No.	RN100245182
Facility/Site Region	8-San Angelo
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	37640	No. of Violations	5
Docket No.	2009-0734-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	John Muennink
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$30,200
ADJUSTMENTS (+/-) TO SUBTOTAL 1		
Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.		
Compliance History	30.0% Enhancement	Subtotals 2, 3, & 7
Notes	Enhancement due to two NOVs with same or similar violations and one 1660 Agreed Order.	\$9,060
Culpability	No 0.0% Enhancement	Subtotal 4
Notes	The Respondent does not meet the culpability criteria.	\$0
Good Faith Effort to Comply Total Adjustments		Subtotal 5
		\$3,175
Economic Benefit	0.0% Enhancement*	Subtotal 6
Total EB Amounts	\$315	
Approx. Cost of Compliance	\$5,250	
	*Capped at the Total EB \$ Amount	\$0
SUM OF SUBTOTALS 1-7	Final Subtotal	\$36,085
OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment
Reduces or enhances the Final Subtotal by the indicated percentage.		
Notes		
	Final Penalty Amount	\$36,085
STATUTORY LIMIT ADJUSTMENT		Final Assessed Penalty
		\$36,085
DEFERRAL	20.0% Reduction	Adjustment
Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)		
Notes	Deferral offered for expedited settlement.	-\$7,217
PAYABLE PENALTY		\$28,868

Screening Date 18-May-2009	Docket No. 2009-0734-AIR-E	PCW
Respondent Davis Gas Processing, Inc.		<i>Policy Revision 2 (September 2002)</i>
Case ID No. 37640		<i>PCW Revision October 30, 2008</i>
Reg. Ent. Reference No. RN100245182		
Media [Statute] Air		
Enf. Coordinator John Muennink		

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 <i>(number of NOVs meeting criteria)</i>	2	10%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i>	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 <i>(number of judgements or consent decrees meeting criteria)</i>	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 <i>(number of counts)</i>	0	0%
Emissions	Chronic excessive emissions events <i>(number of events)</i>	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 <i>(number of audits for which notices were submitted)</i>	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i>	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 30%

>> 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 NOVs with same or similar violations and one 1660 Agreed Order.
---------------------------------	--

Total Adjustment Percentage (Subtotals 2, 3, & 7) 30%

Screening Date: 18-May-2009	Docket No.: 2009-0734-AIR-E	PCW
Respondent: Davis Gas Processing, Inc.	Policy Revision 2 (September 2002)	
Case ID No.: 37640	PCW Revision October 30, 2008	
Reg. Ent. Reference No.: RN100245182		
Media [Statute]: Air		
Enf. Coordinator: John Muennink		
Violation Number: 1		
Rule Cite(s):	30 Tex. Admin. Code § 122.146(2) and Tex. Health & Safety Code § 382.086(b)	
Violation Description:	Failed to submit a Permit Compliance Certification ("PCC") in a timely manner. Specifically, a PCC was not submitted for the August 11, 2008 through December 2, 2008 certification period, when General Operating Permit No. O-369 was voided, until May 14, 2009.	
Base Penalty:	\$10,000	

>> Environmental, Property and Human Health Matrix

OR	Harm			Percent
	Major	Moderate	Minor	
	Actual			
Potential				

>> Programmatic Matrix

	Major	Moderate	Minor	Percent
Falsification	x			

Matrix Notes: The Respondent failed to meet 100% of the rule requirement.

Adjustment: \$7,500

\$2,500

Violation Events

Number of Violation Events: 1 137 Number of violation days

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

Violation Base Penalty: \$2,500

One single event is recommended based on the one report not submitted.

Good Faith Efforts to Comply

10.0% Reduction

\$250

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

Notes: The Respondent completed corrective measures on May 14, 2009.

Violation Subtotal: \$2,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount: \$5

Violation Final Penalty Total: \$3,000

This violation Final Assessed Penalty (adjusted for limits): \$3,000

Economic Benefit Worksheet

Respondent: Davis Gas Processing, Inc.
Case ID No.: 37640
Reg. Ent. Reference No.: RN100245182
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
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)	\$250	1-Jan-2009	14-May-2009	0.36	\$5	n/a	\$5

Notes for DELAYED costs

Estimated expense to submit the PCC. The Date Required is the date that the report was due. The Final Date is the date that corrective measures were completed.

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

\$250

TOTAL

\$5

Screening Date: 18-May-2009	Docket No.: 2009-0734-AIR-E	PCW
Respondent: Davis Gas Processing, Inc.	<small>Policy Revision 2 (September 2002)</small>	
Case ID No.: 37640	<small>PCW Revision October 30, 2008</small>	
Reg. Ent. Reference No.: RN100245182		
Media [Statute]: Air		
Enf. Coordinator: John Muenrlnk		
Violation Number: 2		
Rule Cite(s): 30 Tex. Admin. Code §§ 116.110(a) and 122.121, Tex. Health & Safety Code § 382.085(b) and Permit No. 3024, Special Condition Nos. 5B and C		
Violation Description:	Failed to obtain authorization prior to operation. Specifically, White Superior 8G825.800 compressor engine was installed and began operation on May 1, 2007 to replace a smaller engine, emissions point number ("EPN") 3; however it was not authorized until it was registered on May 7, 2009. Additionally, the application for Site Operating Permit O-3024, issued on December 2, 2008, represented the old engine instead of the new one.	
Base Penalty:	\$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
	<input type="text"/>	<input checked="" type="text" value="x"/> <input type="text"/> <input type="text"/>
	Percent	<input type="text" value="25%"/>
Matrix Notes:	The Respondent failed to meet 100% of the rule requirement.	
Adjustment:	\$7,500	
	\$2,500	
Violation Events		
Number of Violation Events:	<input type="text" value="9"/>	Number of violation days: <input type="text" value="737"/>
<small>mark only one with an x</small>	daily	<input type="text"/>
	weekly	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input checked="" type="text" value="x"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>
	Violation Base Penalty:	\$22,500
Nine quarterly events are recommended based on the date the engine was installed and began operation on May 1, 2007 to the date that the engine was registered on May 7, 2009.		
Good Faith Efforts to Comply		
	10.0% Reduction	\$2,250
	Before NOV NOV to EDFRP/Settlement Offer	
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input checked="" type="text" value="x"/>
N/A	<small>(mark with x)</small>	
Notes:	The Respondent completed corrective measures on May 7, 2009.	
Violation Subtotal:	\$20,250	
Economic Benefit (EB) for this violation		
Statutory Limit Test		
Estimated EB Amount:	<input type="text" value="\$299"/>	Violation Final Penalty Total: <input type="text" value="\$27,000"/>
This violation Final Assessed Penalty (adjusted for limits): <input type="text" value="\$27,000"/>		

Economic Benefit Worksheet

Respondent: Davis Gas Processing, Inc.
Case ID No.: 37640
Reg. Ent. Reference No.: RN100245182
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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$3,000	11-May-2007	7-May-2009	1.99	\$299	n/a	\$299
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to register and obtain authorization to operate the White Superior 8G825 800 compressor engine. The Date Required is the date when authorization should have been obtained. The Final Date is the date that corrective measures were completed.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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

\$3,000

TOTAL

\$299

Screening Date: 18-May-2009	Docket No.: 2009-0734-AIR-E	PCW							
Respondent: Davis Gas Processing, Inc.	<i>Policy Revision 2 (September 2002)</i>								
Case ID No.: 37640	<i>PCW Revision October 30, 2008</i>								
Reg. Ent. Reference No.: RN100245182									
Media [Statute]: Air									
Enf. Coordinator: John Muennink									
Violation Number: 3									
Rule Cite(s):	30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b), Permit No. 8816, Special Condition No. 11, and Permit No. 3024, Special Condition No. 5								
Violation Description:	Failed to maintain records of repairs and replacements due to leaks in the hydrogen sulfide ("H2S") operations area.								
Base Penalty:		\$10,000							
>> Environmental, Property and Human Health Matrix									
OR	Release	Harm							
		Major Moderate Minor							
	Actual	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>				Percent <input type="text" value="0%"/>			
	Potential	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>							
>> Programmatic Matrix									
	Falsification	Major Moderate Minor							
	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%; text-align: center;">x</td><td style="width:33%;"></td></tr></table>		x		<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>				Percent <input type="text" value="25%"/>
	x								
Matrix Notes:	The Respondent failed to meet 100% of the rule requirement.								
Adjustment:		\$7,500							
		\$2,500							
Violation Events									
Number of Violation Events: <input type="text" value="1"/>		Number of violation days: <input type="text" value="1"/>							
<i>mark only one with an x</i>	daily	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>				Violation Base Penalty <input type="text" value="\$2,500"/>			
	weekly	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>							
	monthly	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>							
	quarterly	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>							
semiannual	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>								
annual	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>								
single event	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%; text-align: center;">x</td><td style="width:33%;"></td></tr></table>		x						
	x								
One single event is recommended.									
Good Faith Efforts to Comply		<input type="text" value="25.0%"/> Reduction	\$625						
	Before NOV	NOV to EDRP/Settlement Offer							
Extraordinary	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>				<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>				
Ordinary	<table border="1" style="width:100%;"><tr><td style="width:33%; text-align: center;">x</td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>	x			<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>				
x									
N/A	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>				<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table> (mark with x)				
Notes:	The Respondent completed corrective measures on April 9, 2009, before the NOE date of May 6, 2009.								
Violation Subtotal:		\$1,875							
Economic Benefit (EB) for this violation		Statutory Limit Test							
Estimated EB Amount:	<input type="text" value="\$0"/>	Violation Final Penalty Total:	\$2,625						
This violation Final Assessed Penalty (adjusted for limits):		\$2,625							

Economic Benefit Worksheet

Respondent Davis Gas Processing, Inc.
Case ID No. 37640
Reg. Ent. Reference No. RN100245182
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
6.0	15

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

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$250	8-Apr-2009	9-Apr-2009	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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs Estimated expense to implement a record keeping system for the H2S operations area. The Date Required is the date of the investigation. The Final Date is the date that corrective measures were completed.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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 TOTAL

\$250		TOTAL	\$0
-------	--	--------------	-----

Screening Date: 18-May-2009	Docket No.: 2009-0734-AIR-E	PCW	
Respondent: Davis Gas Processing, Inc.	<small>Policy Revision 2 (September 2002)</small>		
Case ID No.: 37640	<small>PCW Revision October 30, 2008</small>		
Reg. Ent. Reference No.: RN100245182			
Media [Statute]: Air			
Enf. Coordinator: John Muennink			
Violation Number: 4			
Rule Cite(s):	30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b), Permit No. 8816, Special Condition No. 12 and Permit No. 3024, Special Condition No. 5		
Violation Description:	Failed to maintain records adequate to demonstrate compliance with requirements to conduct fugitive monitoring for components in volatile organic compound ("VOC") service. Specifically, records provided during the investigation failed to identify component tag numbers, instrument reading background in parts per million and the actual reading. Additionally, the number of valves, flanges and relief valves listed in the monitoring records did not match the number of components listed in the emissions inventory.		
Base Penalty:		\$10,000	
>> Environmental, Property and Human Health Matrix			
OR	Harm		
	Major	Moderate	Minor
	Actual	Potential	Percent
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			0%
>> Programmatic Matrix			
	Major	Moderate	Minor
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Percent
			25%
Matrix Notes:	The Respondent failed to meet 100% of the rule requirement.		
Adjustment:		\$7,500	
		\$2,500	
Violation Events			
Number of Violation Events		<input type="checkbox"/>	<input type="checkbox"/>
		Number of violation days	
<small>mark only one with an x</small>	daily	<input type="checkbox"/>	Violation Base Penalty
	weekly	<input type="checkbox"/>	
	monthly	<input type="checkbox"/>	
	quarterly	<input type="checkbox"/>	
	semiannual	<input type="checkbox"/>	
	annual	<input type="checkbox"/>	
	single event	<input checked="" type="checkbox"/>	
		\$2,500	
One single event is recommended.			
Good Faith Efforts to Comply			
		0.0% Reduction	
		Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="checkbox"/>	<input type="checkbox"/>	
Ordinary	<input type="checkbox"/>	<input type="checkbox"/>	
N/A	<input checked="" type="checkbox"/>	(mark with x)	
Notes:	The Respondent does not meet the good faith criteria for this violation.		
Violation Subtotal:		\$2,500	
Economic Benefit (EB) for this violation			
Statutory Limit Test			
Estimated EB Amount:	<input type="checkbox"/>	\$7	Violation Final Penalty Total:
		\$3,250	
This violation Final Assessed Penalty (adjusted for limits):			\$3,250

Economic Benefit Worksheet

Respondent: Davis Gas Processing, Inc.
Case ID No.: 37640
Reg. Ent. Reference No.: RN100245182
Media: Air
Violation No.: 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$250	8-Apr-2009	10-Nov-2009	0.59	\$7	n/a	\$7
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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to implement a complete and adequate monitoring and recordkeeping system for components in VOC service. The Date Required is the date of the investigation. The Final Date is the date that corrective measures are estimated to be completed.

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

\$250

TOTAL

\$7

Screening Date: 18-May-2009	Docket No.: 2009-0734-AIR-E	PCW			
Respondent: Davis Gas Processing, Inc.	<small>Policy Revision 2 (September 2002)</small>				
Case ID No.: 37640	<small>PCW Revision October 30, 2008</small>				
Reg. Ent. Reference No.: RN100245182					
Media [Statute]: Air					
Enf. Coordinator: John Muennink					
Violation Number: 5					
Rule Cite(s):	30 Tex. Admin. Code § 122.145(2)(A) and Tex. Health & Safety Code § 382.085(b)				
Violation Description:	Failed to report all instances of deviations in the August 11, 2007 to February 10, 2008 and the February 11, 2008 to August 10, 2008 semi-annual deviation reports.				
Base Penalty:		\$10,000			
>> Environmental, Property and Human Health Matrix					
OR	Harm				
	Release	Major	Moderate		Minor
	Actual	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Percent <input type="text" value="0%"/>
	Potential	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
>> Programmatic Matrix					
	Falsification	Major	Moderate	Minor	Percent <input type="text" value="1%"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Matrix Notes	The Respondent met at least 70% of the rule requirement.				
Adjustment:		\$9,900			
		<input type="text" value="\$100"/>			
Violation Events					
Number of Violation Events:		<input type="text" value="2"/>		Number of violation days:	
		<input type="text" value="2"/>			
<small>mark only one with an x</small>	daily	<input type="checkbox"/>			
	weekly	<input type="checkbox"/>			
	monthly	<input type="checkbox"/>			
	quarterly	<input type="checkbox"/>			
	semiannual	<input type="checkbox"/>			
	annual	<input type="checkbox"/>			
	single event	<input checked="" type="checkbox"/>			
Violation Base Penalty:		\$200			
Two single-events are recommended.					
Good Faith Efforts to Comply		25.0% Reduction		\$50	
		Before NOV	NOV to EDPRP/Settlement Offer		
Extraordinary	<input type="checkbox"/>				
Ordinary	<input checked="" type="checkbox"/>				
N/A	<input type="checkbox"/>	<small>(mark with x)</small>			
Notes:	The Respondent completed corrective measures on May 1, 2009, before the NOE date of May 6, 2009.				
Violation Subtotal:		\$150			
Economic Benefit (EB) for this violation			Statutory Limit Test		
Estimated EB Amount:		<input type="text" value="\$5"/>		Violation Final Penalty Total:	
				<input type="text" value="\$210"/>	
This violation Final Assessed Penalty (adjusted for limits):				<input type="text" value="\$210"/>	

Economic Benefit Worksheet

Respondent: Davis Gas Processing, Inc.
Case ID No.: 37640
Reg. Ent. Reference No.: RN100245182
Media: Air
Violation No.: 6

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$1,500	8-Apr-2009	1-May-2009	0.06	\$5	n/a	\$5
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to implement measures designed to ensure the proper reporting of semi-annual deviation reports. The Date Required is the date of the investigation. The Final Date is the date that corrective measures were completed.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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

\$1,500

TOTAL

\$5

Compliance History Report

Customer/Respondent/Owner-Operator: CN601282502 Davis Gas Processing, Inc. Classification: AVERAGE Rating: 2.38
 Regulated Entity: RN100245182 NELEH GAS SYSTEM Classification: AVERAGE Site Rating: 6.00

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	CZ0024D
	AIR OPERATING PERMITS	PERMIT	369
	AIR OPERATING PERMITS	PERMIT	3024
	AIR NEW SOURCE PERMITS	PERMIT	8816
	AIR NEW SOURCE PERMITS	PERMIT	21420
	AIR NEW SOURCE PERMITS	PERMIT	22472
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	CZ0024D
	AIR NEW SOURCE PERMITS	AFS NUM	4810500015
	AIR NEW SOURCE PERMITS	REGISTRATION	77494
	AIR NEW SOURCE PERMITS	REGISTRATION	87936
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	CZ0024D

Location: Highway 1901, McCamey, Texas

TCEQ Region: REGION 08 - SAN ANGELO

Date Compliance History Prepared: May 12, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: May 12, 2004 to May 12, 2009

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

Name: John Muennink Phone: (361) 825-3423

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/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s) ? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2008 Repeat Violator: NO

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: 05/22/2008

ADMINORDER 2007-1620-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.10(e)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to submit a 2006 Emissions Inventory; Category B19(g)(3)

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 08/12/2004 (288381)
- 2 11/08/2004 (337077)

3 02/06/2006 (438366)
4 11/21/2006 (531737)
5 07/13/2007 (567640)
6 09/14/2007 (594173)
7 11/27/2007 (609775)
8 06/09/2008 (682188)
9 07/31/2008 (687520)
10 05/06/2009 (744391)

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

Date: 07/18/2007 (567640)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.10(e)
5C THC Chapter 382, SubChapter A 382.085(b)
Description: Failure to submit a 2006 Emissions Inventory; Category B19(g)(3)

Date: 06/11/2008 (682188)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.10(e)
5C THSC Chapter 382 382.085(b)
Description: Failed to submit a 2007 emissions inventory; Category B19(g)(3)

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
DAVIS GAS PROCESSING, INC.
RN100245182**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2009-0734-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 Davis Gas Processing, Inc. ("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 gas plant on Highway 1901 in McCamey, Crockett 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 11, 2009.
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 Thirty-Six Thousand Eighty-Five Dollars (\$36,085) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-Eight Thousand Eight Hundred Sixty-Eight Dollars (\$28,868) of the administrative penalty and Seven Thousand Two Hundred Seventeen Dollars (\$7,217) 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 the Respondent:
 - a. Provided the Plant with a recordkeeping form on April 8, 2009 and began using the recordkeeping form to keep records of the hydrogen sulfide ("H₂S") operations area on April 9, 2009;
 - b. Increased environmental staff by using additional contract environmental staff to organize, track and complete all required regulatory reports on May 1, 2009, in order to ensure the proper reporting of semi-annual deviation reports;
 - c. Submitted the permit compliance certification ("PCC") for the August 11, 2008 through December 2, 2008 certification period on May 14, 2009;
 - d. Registered the White Superior 8G825 800 compressor engine on May 7, 2009; and
 - e. Submitted an off-permit change notification to incorporate the White Superior 8G825 800 compressor engine into Federal Operating Permit No. O-3024 on June 8, 2009.
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:

1. Failed to submit a PCC in a timely manner, in violation of 30 TEX. ADMIN. CODE § 122.146(2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation

conducted on April 8, 2009. Specifically, a PCC was not submitted for the August 11, 2008 through December 2, 2008 certification period, when General Operating Permit No. O-369 was voided, until May 14, 2009.

2. Failed to obtain authorization prior to operation, in violation of 30 TEX. ADMIN. CODE §§ 116.110(a) and 122.121, TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 3024, Special Condition Nos. 5B and C, as documented during an investigation conducted on April 8, 2009. Specifically, White Superior 8G825 800 compressor engine was installed and began operation on May 1, 2007 to replace a smaller engine, emissions point number ("EPN") 3; however, it was not authorized until it was registered on May 7, 2009. Additionally, the application for Site Operating Permit O-3024, issued on December 2, 2008, represented the old engine instead of the new one.
3. Failed to maintain records of repairs and replacements due to leaks in the H2S operations area, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 8816, Special Condition No. 11 and Permit No. 3024, Special Condition No. 5, as documented during an investigation conducted on April 8, 2009.
4. Failed to maintain records adequate to demonstrate compliance with requirements to conduct fugitive monitoring for components in volatile organic compound ("VOC") service, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 8816, Special Condition No. 12 and Permit No. 3024, Special Condition No. 5, as documented during an investigation conducted on April 8, 2009. Specifically, records provided during the investigation failed to identify component tag numbers, instrument reading background in parts per million and the actual reading. Additionally, the number of valves, flanges and relief valves listed in the monitoring records did not match the number of components listed in the emissions inventory.
5. Failed to report all instances of deviations in the August 11, 2007 to February 10, 2008 and the February 11, 2008 to August 10, 2008 semi-annual deviation reports, in violation of 30 TEX. ADMIN. CODE § 122.145(2)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on April 8, 2009.

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: Davis Gas Processing, Inc., Docket No. 2009-0734-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 the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order implement a complete and adequate fugitive monitoring program and recordkeeping system for components in VOC service, in accordance with Permit No. 8816, Special Condition No. 12; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision No. 2.a.

The certification shall be signed by a State of Texas Notary Public and contain the following language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines 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
San Angelo Regional Office
Texas Commission on Environmental Quality
622 South Oakes, Suite K
San Angelo, Texas 76903-7013

3. 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.
4. If the Respondent 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, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such

- an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent 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 the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent 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 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.
 7. This Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes under this Agreed Order.
 8. 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.

Davis Gas Processing, Inc.
DOCKET NO. 2009-0734-AIR-E
Page 6

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John Szolner
For the Executive Director

10/9/2009
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.

JLQ
Signature

8-20-2009
Date

J. L. Davis
Name (Printed or typed)
Authorized Representative of
Davis Gas Processing, Inc.

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.