

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 3
DOCKET NO.: 2009-1032-AIR-E **TCEQ ID:** RN104256102 **CASE NO.:** 37894
RESPONDENT NAME: Approach Operating LLC

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: Approach Ozona NE Compressor Station, located six miles east of Ozona on Interstate Highway 10, 6.8 miles north on Taylor Box Road, then 0.4 miles east on a lease road, Crockett County</p> <p>TYPE OF OPERATION: Natural gas compressor plant</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on October 12, 2009. No comments were received.</p> <p>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; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387 Respondent: Mr. Glenn W. Reed, Vice President of Operations, Approach Operating LLC, 6500 West Freeway, Suite 800, Fort Worth, Texas 76116 Mr. Eric Mora, Operations Engineer, Approach Operating LLC, 6500 West Freeway, Suite 800, Fort Worth, Texas 76116 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: June 10, 2009</p> <p>Date of NOV Relating to this Case: June 19, 2009 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failure to keep records of quarterly opacity observations of all stationary vents. Specifically, the Respondent has not been keeping records of quarterly opacity observations of stationary vents [30 TEX. ADMIN. CODE § 122.143(4), General Operating Permit ("GOP") No. 02797, Special Condition ("SC") No. (b)(8), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failure to maintain records on-site. Specifically, the Respondent failed to maintain records of engine maintenance and tests, annual emissions inventories, copies of applicable Permit by Rules, copies of annual compliance certifications and deviation reports at the plant [30 TEX. ADMIN. CODE § 122.144(3), GOP No. 02797, SC No. (b)(1), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>3) Failure to conduct initial emissions testing within 60 days of engine construction and biannually afterwards. Specifically, the Respondent failed to conduct initial emissions and biannual testing for nitrogen oxides and carbon monoxide for five compressor engines, of which two were installed on May 13, 2004, and the remaining on December 15, 2004, February 24, 2005, and July 5, 2005 [30 TEX. ADMIN. CODE §§ 106.352(1) and 106.512(2)(C)(iii), GOP No. 02797, SC</p>	<p>Total Assessed: \$32,108</p> <p>Total Deferred: \$6,421 <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: \$25,687</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 has implemented the following corrective measures at the Plant:</p> <p>a) On June 29, 2009, began keeping records of the quarterly opacity observations of stationary vents being conducted at the Plant;</p> <p>b) On June 29, 2009, began maintaining records of engine tests, annual emissions inventories, copies of applicable Permit by Rules and annual certifications and deviation reports at the Plant;</p> <p>c) On June 29, 2009, completed the testing on the five compressor engines; and</p> <p>d) On July 8, 2009, submitted the deviation report documenting the deviations that were discovered at the Plant.</p>

<p>No. (b)(7)(D), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>4) Failure to report three violations discovered during the June 10, 2009 investigation as deviations in previous Title V reports [30 TEX. ADMIN. CODE § 122.145(2), GOP No. 02797, SC No. (b)(7)(D), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>		
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Additional ID No(s): CZA001A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

DATES	Assigned	30-Jun-2009	Screening	2-Jul-2009	EPA Due	
	PCW	20-Jul-2009				

RESPONDENT/FACILITY INFORMATION	
Respondent	Approach Operating LLC
Reg. Ent. Ref. No.	RN104256102
Facility/Site Region	8-San Angelo
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	37894	No. of Violations	4
Docket No.	2009-1032-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Nadia Hameed
		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	\$18,600
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	20.0% Enhancement	Subtotals 2, 3, & 7	\$3,720
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Notes: Penalty enhancement due to one agreed order with a denial of liability.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$1,860
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$12,598
 Approx. Cost of Compliance: \$14,400
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$20,460
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OTHER FACTORS AS JUSTICE MAY REQUIRE	56.9%	Adjustment	\$11,648
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Avoided costs associated with violation No. 3.

Final Penalty Amount	\$32,108
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$32,108
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DEFERRAL	20.0% Reduction	Adjustment	-\$6,421
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY	\$25,687
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Screening Date	2-Jul-2009	Docket No.	2009-1032-AIR-E	PCW
Respondent	Approach Operating LLC			Policy Revision 2 (September 2002)
Case ID No.	37894			PCW Revision October 30, 2008
Reg. Ent. Reference No.	RN104256102			
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)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of 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) 20%

>> 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 one agreed order with a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 20%

Screening Date 2-Jul-2009 **Docket No.** 2009-1032-AIR-E **PCW**
Respondent Approach Operating LLC *Policy Revision 2 (September 2002)*
Case ID No. 37894 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN104256102
Media [Statute] Air
Enf. Coordinator Nadia Hameed

Violation Number
Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), General Operating Permit ("GOP") No. 02797, Special Condition ("SC") No. (b)(8), and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to keep records of quarterly opacity observations of all stationary vents. Specifically, the Respondent has not been keeping records of quarterly opacity observations of stationary vents.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

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

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	X	<input type="text"/>	<input type="text"/>	25%

Matrix Notes 100 percent of the rule requirement was not met.

Adjustment \$7,500
Subtotal \$2,500

Violation Events

Number of Violation Events Number of violation days
mark only one with an x

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	X

Violation Base Penalty \$2,500

One single event is recommended, for observation records not being kept.

Good Faith Efforts to Comply Reduction **\$250**

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

Notes The Respondent completed the corrective actions on June 29, 2009. The NOE was issued June 19, 2009.
Violation Subtotal \$2,250

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount \$202 **Violation Final Penalty Total** \$4,316
This violation Final Assessed Penalty (adjusted for limits) \$4,316

Economic Benefit Worksheet

Respondent: Approach Operating LLC
Case ID No.: 37894
Reg. Ent. Reference No.: RN104256102
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

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			0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	19-Oct-2006	29-Jun-2009	2.70	\$202	\$202

Notes for DELAYED costs

Estimated cost for setting up a recordkeeping system for quarterly opacity observations of stationary vents. The date required is the date from which the opacity observations should have been conducted. The final date is the date the records of quarterly opacity observations of stationary vents began to be completed.

Avoided Costs

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

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

\$202

Screening Date: 2-Jul-2009	Docket No.: 2009-1032-AIR-E	PCW		
Respondent: Approach Operating LLC	<small>Policy Revision 2 (September 2002)</small>			
Case ID No.: 37894	<small>PCW Revision October 30, 2008</small>			
Reg. Ent. Reference No.: RN104258102				
Media [Statute]: Air				
Enf. Coordinator: Nadia Hameed				
Violation Number: 2				
Rule Cite(s):	30 Tex. Admin. Code § 122.144(3), GOP No. 02797, SC No. (b)(1), and Tex. Health & Safety Code § 382.085(b)			
Violation Description:	Failed to maintain records on-site. Specifically, the Respondent failed to maintain records of engine maintenance and tests, annual emissions inventories, copies of applicable Permit by Rules, copies of annual compliance certifications and deviation reports at the Plant.			
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 type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>
				Percent: <input type="text" value="10%"/>
Matrix Notes	Less than 50 percent of the rule requirement was not met.			
Adjustment:				\$9,000
				\$1,000
Violation Events				
Number of Violation Events		<input type="text" value="1"/>	Number of violation days	
		<input type="text" value="19"/>		
<small>mark only one with an x</small>	daily	<input type="text"/>		
	weekly	<input type="text"/>		
	monthly	<input type="text"/>		
	quarterly	<input type="text"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	<input checked="" type="text" value="x"/>		
				Violation Base Penalty: \$1,000
One single event is recommended for not keeping copies of the records at the Plant as documented on the June 10, 2009 investigation.				
Good Faith Efforts to Comply		10.0% Reduction	\$100	
		Before NOV	NOV to EDPRP/Settlement Offer	
Extraordinary	<input type="text"/>	<input type="text"/>		
Ordinary	<input type="text"/>	<input checked="" type="text" value="x"/>		
N/A	<input type="text"/>	<input type="text"/>		
		<small>(mark with x)</small>		
Notes	The Respondent completed the corrective actions on June 29, 2009. The NOE was issued June 19, 2009.			
Violation Subtotal:				\$900
Economic Benefit (EB) for this violation			Statutory Limit Test	
Estimated EB Amount:		<input type="text" value="\$1"/>	Violation Final Penalty Total: \$1,726	
This violation Final Assessed Penalty (adjusted for limits):				\$1,726

Economic Benefit Worksheet

Respondent: Approach Operating LLC
Case ID No.: 37894
Reg. Ent. Reference No.: RN104256102
Media: Air
Violation No.: 2

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

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	\$500	10-Jun-2009	29-Jun-2009	0.05	\$1	n/a	\$1
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 cost for keeping records at the Plant. The date required is the date of the investigation in which records were not available at the Plant. The final date is the date the records began being kept at the Plant.

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

\$500

TOTAL

\$1

Screening Date 2-Jul-2009	Docket No. 2009-1032-AIR-E	PCW		
Respondent Approach Operating LLC	<i>Policy Revision 2 (September 2002)</i>			
Case ID No. 37894	<i>PCW Revision October 30, 2008</i>			
Reg. Ent. Reference No. RN104256102				
Media [Statute] Air				
Enf. Coordinator Nadia Hameed				
Violation Number 3				
Rule Cite(s)	30 Tex. Admin. Code § 106.352(1) and 106.512(2)(C)(iii); GOP No. 02797, SC No. (b)(7)(D), and Tex. Health & Safety Code § 382.085(b)			
Violation Description	Failed to conduct initial emissions testing within 60 days of engine construction and biannually afterwards. Specifically, the Respondent failed to conduct initial emissions and biannual testing for nitrogen oxides and carbon monoxide for five compressor engines, of which two were installed on May 13, 2004, and the remaining on December 15, 2004, February 24, 2005 and July 5, 2005.			
Base Penalty		\$10,000		
>> Environmental, Property and Human Health Matrix				
OR	Harm			
	Release	Major	Moderate	Minor
	Actual			
	Potential		x	
				Percent 10%
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
				Percent 0%
Matrix Notes	Human health or the environment had the potential to be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.			
Adjustment				\$9,000
				\$1,000
Violation Events				
	Number of Violation Events	15	Number of violation days	1813
<i>mark only one with an x</i>	daily			
	weekly			
	monthly			
	quarterly			
	semiannual			
	annual			
	single event		x	
				Violation Base Penalty \$15,000
Fifteen single events are recommended for the missed testing beginning July 12, 2004 (first due date for initially testing the engines) to June 29, 2009 when the corrective actions were completed.				
Good Faith Efforts to Comply			10.0% Reduction	\$1,500
		Before NOV	NOV to EDPRP/Settlement Offer	
Extraordinary				
Ordinary			x	
N/A			(mark with x)	
Notes	The Respondent completed the corrective actions on June 29, 2009. The NOE was issued June 19, 2009.			
Violation Subtotal				\$13,500
Economic Benefit (EB) for this violation			Statutory Limit Test	
	Estimated EB Amount	\$12,393	Violation Final Penalty Total	\$25,894
This violation Final Assessed Penalty (adjusted for limits)				\$25,894

Economic Benefit Worksheet

Respondent: Approach Operating LLC
Case ID No.: 37894
Reg. Ent. Reference No.: RN104256102
Media: Air
Violation No.: 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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				0.00	\$0	n/a	\$0
Other (as needed)	\$3,000	12-Jul-2004	29-Jun-2009	4.97	\$745	n/a	\$745

Notes for DELAYED costs

Estimated cost for initial testing of the five engines. The date required is the date when the testing was first due on the engines. The final date is the date the testing of the engines was 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]	\$9,000	12-Jul-2004	29-Jun-2009	5.88	\$2,648	\$9,000	\$11,648
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Estimated cost for testing the five engines (15 missed testing events for the five compressors). The date required is the date when the testing was first due on the engines. The final date is the date the testing of the engines was completed.

Approx. Cost of Compliance

\$12,000

TOTAL

\$12,393

Screening Date: 2-Jul-2009 **Docket No.:** 2009-1032-AIR-E **PCW**
Respondent: Approach Operating LLC *Policy Revision 2 (September 2002)*
Case ID No.: 37894 *PCW Revision October 30, 2008*
Reg. Ent. Reference No.: RN104256102
Media [Statute]: Air
Enf. Coordinator: Nadia Hameed
Violation Number: 4
Rule Cite(s): 30 Tex. Admin. Code § 122.145(2), GOP No. 02797, SC No. (b)(7)(D), and Tex. Health & Safety Code § 382.086(b)
Violation Description: Failed to report three violations discovered during the June 10, 2009 investigation as deviations in previous Title V reports.
Base Penalty: \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Matrix Notes	Falsification	Major	Moderate	Minor	Percent
				x	
Less than 30 percent of the rule requirement was not met.					

Adjustment: \$9,900

\$100

Violation Events

Number of Violation Events: 1 28 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty: \$100

One single event is recommended for the non-submittal of the deviations as documented on the June 10, 2009 investigation.

Good Faith Efforts to Comply

10.0% Reduction \$10

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

Notes: The Respondent completed the corrective actions on July 8, 2009. The NOE was issued June 18, 2009.

Violation Subtotal: \$90

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount: \$2

Violation Final Penalty Total: \$173

This violation Final Assessed Penalty (adjusted for limits): \$173

Economic Benefit Worksheet

Respondent: Approach Operating LLC
Case ID No.: 37894
Reg. Ent. Reference No.: RN104256102
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
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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)	\$400	10-Jun-2009	8-Jul-2009	0.08	\$2	n/a	\$2

Notes for DELAYED costs

Estimated cost for submitting a semi-annual deviation report. The date required is the date when the deviations were discovered. The final date is the date the deviation report was 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

\$400

TOTAL

\$2

Compliance History Report

Customer/Respondent/Owner-Operator: CN602620825 Approach Operating LLC Classification: AVERAGE Rating: 9.00
Regulated Entity: RN104256102 APPROACH OZONA NE COMPRESSOR STATION Classification: AVERAGE Site Rating: 15.00

ID Number(s): AIR NEW SOURCE PERMITS REGISTRATION 71953
AIR NEW SOURCE PERMITS AFS NUM 4810500055
AIR NEW SOURCE PERMITS ACCOUNT NUMBER CZA001A
AIR OPERATING PERMITS PERMIT 2797
AIR OPERATING PERMITS PERMIT 2797

Location: FROM OZONA - TRAVEL 6 MILES EAST ON IH10, 6.8 MILES NORTH ON TAYLOR BOX ROAD, THE 0.4 MILES EAST ON A LEASE ROAD

TCEQ Region: REGION 08 - SAN ANGELO

Date Compliance History Prepared: July 01, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: June 30, 2004 to June 30, 2009

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

Name: Nadia Hameed 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/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 judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 08/23/2007

ADMINORDER 2007-0090-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.146(1)

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

Rqmt Prov: GOP 0514 - Permit Number O2797(b)(2) OP

Description: failed to certify compliance with the terms and conditions of Federal Operating Permit No. O-02797 for at least each 12-month period following the initial issuance of the permit. Specifically, the annual compliance certification for the period June 8, 2005 to June 7, 2006 was due by July 7, 2006.

- 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 | 12/29/2006 | (535495) |
| 2 | 02/14/2008 | (618637) |
| 3 | 06/19/2009 | (759194) |

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

N/A

- 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
APPROACH OPERATING LLC
RN104256102

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2009-1032-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 Approach Operating LLC ("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 natural gas compressor plant located six miles east of Ozona on Interstate Highway 10, 6.8 miles north on Taylor Box Road, then 0.4 miles east on a lease road, 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 June 24, 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-Two Thousand One Hundred Eight Dollars (\$32,108) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-Five Thousand Six Hundred Eighty-Seven

Dollars (\$25,687) of the administrative penalty and Six Thousand Four Hundred Twenty-One Dollars (\$6,421) 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 has implemented the following corrective measures at the Plant:
 - a. On June 29, 2009, began keeping records of the quarterly opacity observations of stationary vents being conducted at the Plant;
 - b. On June 29, 2009, began maintaining records of engine tests, annual emissions inventories, copies of applicable Permit by Rules and annual certifications and deviation reports at the Plant;
 - c. On June 29, 2009, completed the testing on the five compressor engines; and
 - d. On July 8, 2009, submitted the deviation report documenting the deviations that were discovered at the Plant.
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 keep records of quarterly opacity observations of all stationary vents, in violation of 30 TEX. ADMIN. CODE § 122.143(4), General Operating Permit ("GOP") No. O2797, Special Condition ("SC") No. (b)(8), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented

during an investigation conducted on June 10, 2009. Specifically, the Respondent has not been keeping records of quarterly opacity observations of stationary vents.

2. Failed to maintain records on-site, in violation of 30 TEX. ADMIN. CODE § 122.144(3), GOP No. O2797, SC No. (b)(1), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 10, 2009. Specifically, the Respondent failed to maintain records of engine maintenance and tests, annual emissions inventories, copies of applicable Permit by Rules, copies of annual compliance certifications and deviation reports at the plant.
3. Failed to conduct initial emissions testing within 60 days of engine construction and biannually afterwards, in violation of 30 TEX. ADMIN. CODE § 106.352(1) and 106.512(2)(C)(iii), GOP No. O2797, SC No. (b)(7)(D), and TEX. HEALTH & SAFETY CODE § 382.085(b) as documented during an investigation conducted on June 10, 2009. Specifically, the Respondent failed to conduct initial emissions and biannual testing for nitrogen oxides and carbon monoxide for five compressor engines, of which two were installed on May 13, 2004, and the remaining on December 15, 2004, February 24, 2005 and July 5, 2005.
4. Failed to report three violations discovered during the June 10, 2009 investigation as deviations in previous Title V reports, in violation of 30 TEX. ADMIN. CODE § 122.145(2), GOP No. O2797, SC No. (b)(7)(D), and TEX. HEALTH & SAFETY CODE § 382.085(b) as documented during an investigation conducted on June 10, 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: Approach Operating LLC, Docket No. 2009-1032-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

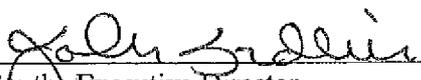
2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

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 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.
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



For the Executive Director

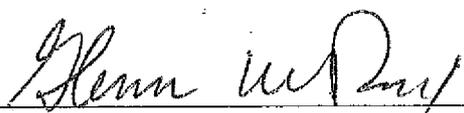
10/3/2009
Date

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.



Signature

8/11/09
Date

Glenn W. Reed

Name (Printed or typed)
Authorized Representative of
Approach Operating LLC

Vice President of

Title Operations

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.

