

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO. 2010-0193-AIR-E RN100216902 CASE NO. 93111
RESPONDENT NAME: DOLPHIN PETROLEUM, LP

ORDER TYPE:		
<input type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input checked="" 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 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

SITE WHERE VIOLATION OCCURRED: Three miles south of Farm-to-Market Road 774 on Farm-to-Market Road 2678, Refugio, Refugio County

TYPE OF OPERATION: oil and gas production plant

SMALL BUSINESS: Yes 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 expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired September 20, 2010. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney: Ms. Anna Treadwell, Litigation Division, MC 175, (512) 239-3400
 Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-3400

TCEQ Enforcement Coordinator: Ms. Gena Hawkins, Air Enforcement Section, MC 149, (512) 239-2583

TCEQ Regional Contact: Mr. David Kennebeck, Corpus Christi Regional Office, MC R-14, (361) 825-3111

Respondent: Mr. Ken Conway, President, Dolphin Petroleum Management, L.L.C., P.O. Box 90, Alice, Texas 78333

Respondent's Attorney: Not represented by counsel on this enforcement matter.

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date of Complaint: None</p> <p>Dates of Investigation: January 6, 2010 through January 22, 2010</p> <p>Date of NOE: January 29, 2010</p> <p>Background Facts:</p> <p>The EDPRP was filed on June 24, 2010, and mailed to Respondent via certified mail, return receipt requested, and via first class mail, postage prepaid. According to the return receipt "green card," Respondent received the EDPRP on June 29, 2010. The Respondent failed to file an answer, failed to request a hearing, and failed to schedule a settlement conference.</p> <p>Current Compliance Status:</p> <p>Respondent has not submitted documentation to certify compliance with the technical requirements.</p> <p>AIR:</p> <p>Failed to submit the permit compliance certification ("PCC") within 30 days after the end of the certification period [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), TEX. HEALTH AND SAFETY CODE §382.085(b), and Federal Operating Permit No. O-00257, Oil and Gas General Operating Permit No. 514, Site-wide requirements (b)(2)].</p>	<p>Total Assessed: \$3,175</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Order <input type="checkbox"/> Financial Inability to Pay</p> <p>Total Due to General Revenue: \$3,175</p> <p>This is a Default Order. Respondent has not actually paid any of the assessed penalty but will be required to do so under the terms of this Order.</p> <p>Compliance History Classifications: <i>Site/RN - Average</i> <i>Person/CN - Average</i></p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>Respondent shall undertake the following technical requirements:</p> <ol style="list-style-type: none"> 1. Within 30 days, implement improvements to reporting practices that address the late submittal of the PCC and that are designed to prevent recurrence of the same or similar incidents; and 2. Within 45 days, submit written certification demonstrating compliance.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	1-Feb-2010			
	PCW	21-May-2010	Screening	3-Feb-2010	EPA Due 25-Oct-2010

RESPONDENT/FACILITY INFORMATION					
Respondent	Dolphin Petroleum, LP				
Reg. Ent. Ref. No.	RN100216902				
Facility/Site Region	14-Corpus Christi	Major/Minor Source	Major		

CASE INFORMATION					
Enf./Case ID No.	39111	No. of Violations	1		
Docket No.	2010-0193-AIR-E	Order Type	1660		
Media Program(s)	Air	Government/Non-Profit	No		
Multi-Media		Enf. Coordinator	Gena Hawkins		
		EC's Team	Enforcement Team 4		
Admin. Penalty \$ Limit	Minimum	\$0	Maximum	\$10,000	

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$2,500
---	-------------------	---------

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	27.0% Enhancement	Subtotals 2, 3, & 7	\$675
---------------------------	-------------------	--------------------------------	-------

Notes	Enhancement for one previous NOV with same or similar violations, one NOV for dissimilar violations, and one 1660-style Agreed Order.
--------------	---

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
--------------------	----	------------------	-------------------	-----

Notes	The Respondent does not meet the culpability criteria.
--------------	--

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
--	-------------------	-----

Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
-------------------------	-------------------	-------------------	-----

Total EB Amounts	\$42	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$1,000	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$3,175
-----------------------------	-----------------------	---------

OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
---	------	-------------------	-----

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes	
--------------	--

Final Penalty Amount	\$3,175
-----------------------------	---------

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$3,175
-----------------------------------	-------------------------------	---------

DEFERRAL	0.0%	Reduction	Adjustment	\$0
-----------------	------	-----------	-------------------	-----

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

Notes	Deferral not offered for non-expedited settlement.
--------------	--

PAYABLE PENALTY	\$3,175
------------------------	---------

Screening Date 3-Feb-2010

Docket No. 2010-0193-AIR-E

PCW

Respondent Dolphin Petroleum, LP

Policy Revision 2 (September 2002)

Case ID No. 39111

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100216902

Media [Statute] Air

Enf. Coordinator Gena Hawkins

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>)	1	5%
	Other written NOVs	1	2%
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) 27%

>> 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 for one previous NOV with same or similar violations, one NOV for dissimilar violations, and one 1660-style Agreed Order.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 27%

Screening Date	3-Feb-2010	Docket No.	2010-0193-AIR-E	PCW
Respondent	Dolphin Petroleum, LP	<i>Policy Revision 2 (September 2002)</i>		
Case ID No.	39111	<i>PCW Revision October 30, 2008</i>		
Reg. Ent. Reference No.	RN100216902			
Media [Statute]	Air			
Enf. Coordinator	Gena Hawkins			
Violation Number	1			
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit No. O257/Oil and Gas General Operating Permit No. 514, Site-wide requirements (b)(2)			
Violation Description	Failed to submit the annual permit compliance certification ("PCC") within 30 days after the end of the certification period. Specifically, the PCC for the September 2, 2008 through September 1, 2009 period was submitted on January 11, 2010, which was 102 days late.			
Base Penalty	\$10,000			

>> Environmental, Property and Human Health Matrix

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

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
		x			Percent <input type="text" value="25%"/>
Matrix Notes	100% of the rule requirement was not met.				
Adjustment	\$7,500				

Adjustment

Violation Events

Number of Violation Events	<input type="text" value="1"/>	<input type="text" value="102"/>	Number of violation days	
<i>mark only one with an x</i>	daily	<input type="text"/>		Violation Base Penalty <input type="text" value="\$2,500"/>
	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="checkbox"/>		
	One single event is recommended, based on the one report.			

Good Faith Efforts to Comply Reduction

	Before NOV	NOV to EDRP/Settlement	
Extraordinary	<input type="text"/>	<input type="text"/>	
Ordinary	<input type="text"/>	<input type="text"/>	
N/A	<input checked="" type="checkbox"/>	(mark with x)	
Notes	The Respondent does not meet the good faith criteria for this violation.		
Violation Subtotal			<input type="text" value="\$2,500"/>

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

Estimated EB Amount	<input type="text" value="\$42"/>	Violation Final Penalty Total	<input type="text" value="\$3,175"/>
This violation Final Assessed Penalty (adjusted for limits)		<input type="text" value="\$3,175"/>	

Economic Benefit Worksheet

Respondent Dolphin Petroleum, LP
Case ID No. 39111
Reg. Ent. Reference No. RN100216902
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	\$1,000	1-Oct-2009	1-Aug-2010	0.83	\$42	n/a	\$42
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 costs to improve the record keeping/reporting system. The Date Required is the date the report was due, and the Final Date is the date the improvements are expected 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

\$1,000

TOTAL

\$42

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
DOLPHIN PETROLEUM, LP;
RN100216902**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**DEFAULT ORDER
DOCKET NO. 2010-0193-AIR-E**

At its _____ agenda, the Texas Commission on Environmental Quality, (“Commission” or “TCEQ”) considered the Executive Director’s Preliminary Report and Petition filed pursuant to TEX. WATER CODE ch. 7, TEX. HEALTH & SAFETY CODE ch. 382, and the rules of the TCEQ, which requests appropriate relief, including the imposition of an administrative penalty and corrective action of the respondent. The respondent made the subject of this Order is Dolphin Petroleum, LP (“Dolphin Petroleum”).

The Commission makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. Dolphin Petroleum owns and operates an oil and gas production plant located approximately three miles south of Farm-to-Market Road 774 on Farm-to-Market Road 2678, Refugio, Refugio County, Texas (the “Plant”).
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During an investigation conducted on January 6, 2010 through January 22, 2010, a TCEQ Corpus Christi Regional Office investigator documented that Dolphin Petroleum failed to submit the annual permit compliance certification (“PCC”) within 30 days after the end of the certification period. Specifically, the PCC for the September 2, 2008 through September 1, 2009 period was due on October 1, 2009, but was not submitted until January 11, 2010, which was 102 days late;
4. Dolphin Petroleum received notice of the violation on or about February 3, 2010.

5. The Executive Director filed the “Executive Director’s Preliminary Report and Petition Recommending that the Texas Commission on Environmental Quality Enter an Enforcement Order Assessing an Administrative Penalty Against and Requiring Certain Actions of Dolphin Petroleum, LP” (the “EDPRP”) in the TCEQ Chief Clerk’s office on June 24, 2010.
6. By letter dated June 24, 2010, sent via certified mail, return receipt requested, and via first class mail, postage prepaid, the Executive Director served Dolphin Petroleum with notice of the EDPRP. According to the return receipt “green card,” Dolphin Petroleum received notice of the EDPRP on June 29, 2010, as evidenced by the signature on the card.
7. More than 20 days have elapsed since Dolphin Petroleum received notice of the EDPRP, provided by the Executive Director. Dolphin Petroleum failed to file an answer to the EDPRP, failed to request a hearing, and failed to schedule a settlement conference.

CONCLUSIONS OF LAW

1. As evidenced by Findings of Fact Nos. 1 and 2, Dolphin Petroleum is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the Commission.
2. As evidenced by Finding of Fact No. 3, Dolphin Petroleum failed to submit the PCC within 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-00257, Oil and Gas General Operating Permit No. 514, Site-wide requirements (b)(2).
3. As evidenced by Findings of Fact Nos. 5 and 6, the Executive Director timely served Dolphin Petroleum with proper notice of the EDPRP, as required by TEX. WATER CODE § 7.055 and 30 TEX. ADMIN. CODE § 70.104(a).
4. As evidenced by Finding of Fact No. 7, Dolphin Petroleum failed to file a timely answer as required by TEX. WATER CODE § 7.056 and 30 TEX. ADMIN. CODE § 70.105. Pursuant to TEX. WATER CODE § 7.057 and 30 TEX. ADMIN. CODE § 70.106, the Commission may enter a Default Order against Dolphin Petroleum and assess the penalty recommended by the Executive Director.
5. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Dolphin Petroleum for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission’s jurisdiction, for violations of rules adopted under such statutes, or for violations of orders or permits issued under such statutes.

6. An administrative penalty in the amount of three thousand one hundred seventy-five dollars (\$3,175.00) is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053.
7. TEX. WATER CODE §§ 5.102 and 7.002 authorize the Commission to issue orders and make determinations necessary to effectuate the purposes of the statutes within its jurisdiction.

ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. Dolphin Petroleum is assessed an administrative penalty in the amount of three thousand one hundred seventy-five dollars (\$3,175.00) for violations of state statutes and the rules of the TCEQ. The payment of this administrative penalty and Dolphin Petroleum's compliance with all the terms and conditions set forth in this Order completely resolve the matters set forth by this Order in this action. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations which are not raised here. All checks submitted to pay the penalty imposed by this Order shall be made out to the "Texas Commission on Environmental Quality." The administrative penalty assessed by this Order shall be paid within 30 days after the effective date of this Order and shall be sent with the notation "Re: Dolphin Petroleum, LP; Docket No. 2010-0193-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. Dolphin Petroleum shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Order, Dolphin Petroleum shall implement improvements to reporting practices that address the late submittal of the September 2, 2008 through September 1, 2009 PCC and that are designed to prevent recurrence of the same or similar incidents; and
 - b. Within 45 days after the effective date of this Order, Dolphin Petroleum shall submit written certification and detailed supporting documentation, including photographs, receipts, and 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 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 fine and imprisonment for knowing violations.”

Dolphin Petroleum shall submit the written certification and copies of documentation necessary to demonstrate compliance with Ordering Provision No. 2.a. 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
Texas Commission on Environmental Quality
Corpus Christi Regional Office
6300 Ocean Dr., Suite 1200
Corpus Christi, Texas 78412-5503

3. All relief not expressly granted in this Order is denied.
4. The provisions of this Order shall apply to and be binding upon Dolphin Petroleum. Dolphin Petroleum is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.
5. If Dolphin Petroleum fails to comply with any of the Ordering Provisions in this Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Dolphin Petroleum’s failure to comply is not a violation of this Order. Dolphin Petroleum shall have the burden of establishing to the Executive Director’s satisfaction that such an event has occurred. Dolphin Petroleum shall notify the Executive Director within seven days after Dolphin Petroleum becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by Dolphin Petroleum shall be made in writing to the Executive Director. Extensions are not effective until Dolphin Petroleum receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas (“OAG”) for further enforcement proceedings without notice to Dolphin Petroleum if the Executive Director determines that Dolphin Petroleum has not complied with one or more of the terms or conditions in this Order.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Chief Clerk shall provide a copy of this Order to each of the parties. By law, the effective date of this Order shall be the date the Order is final, as provided by 30 TEX. ADMIN. CODE § 70.106(d) and TEX. GOV’T CODE § 2001.144.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

AFFIDAVIT OF ANNA M. TREADWELL

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

“My name is Anna M. Treadwell. I am of sound mind, capable of making this affidavit, and the facts stated in this affidavit are within my personal knowledge and are true and correct.

On behalf of the Executive Director of the Texas Commission on Environmental Quality, the “Executive Director’s Preliminary Report and Petition Recommending that the Texas Commission on Environmental Quality Enter an Enforcement Order Assessing an Administrative Penalty Against and Requiring Certain Actions of Dolphin Petroleum, LP” (the “EDPRP”) was filed with the Office of the Chief Clerk on June 24, 2010.

The EDPRP was mailed to Dolphin Petroleum at its last known address on June 24, 2010, via certified mail, return receipt requested, and via first class mail, postage prepaid. According to the return receipt “green card,” Dolphin Petroleum received notice of the EDPRP on June 29, 2010, as evidenced by the signature on the card.

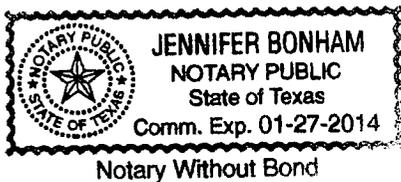
More than 20 days have elapsed since Dolphin Petroleum received notice of the EDPRP. Dolphin Petroleum failed to file an answer, failed to request a hearing, and failed to schedule a settlement conference.”

Anna Treadwell

Anna M. Treadwell, Attorney
Office of Legal Services, Litigation Division
Texas Commission on Environmental Quality

Before me, the undersigned authority, on this day personally appeared Anna M. Treadwell, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration herein expressed.

Given under my hand and seal of office this 23 day of July, A.D., 2010.



Jennifer Bonham

Notary Signature