

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**

**DOCKET NO.:** 2009-1371-AIR-E **TCEQ ID:** RN100211473 **CASE NO.:** 38210

**RESPONDENT NAME:** WTG Gas Processing, L.P.

<b>ORDER TYPE:</b>		
<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	
<b>CASE TYPE:</b>		
<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><b>SITE WHERE VIOLATION(S) OCCURRED:</b> East Vealmoor Gas Plant, located 16 miles north of Coahoma on Ranch Road 846, Howard County</p> <p><b>TYPE OF OPERATION:</b> Gas processing plant</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on March 8, 2010. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b></p> <p><b>TCEQ Attorney/SEP Coordinator:</b> None</p> <p><b>TCEQ Enforcement Coordinator:</b> Mr. James Nolan, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-6634; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495</p> <p><b>Respondent:</b> Mr. J. L. Davis, President, WTG Gas Processing, L.P., 211 North Colorado Street, Midland, Texas 79701</p> <p><b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> July 20 and September 4, 2009</p> <p><b>Date of NOV/NOE Relating to this Case:</b> August 3 and September 9, 2009 (NOE)</p> <p><b>Background Facts:</b> These were routine investigations.</p> <p><b>AIR</b></p> <p>1) Failure to maintain an emission rate below the allowable 1.0 grams per horsepower hour limit for carbon monoxide ("CO") from the Waukesha L7042 Engine (Emission Point Number ["BPN"] CM16). Specifically, the Respondent exceeded the permitted CO emission limit from January 2008 through August 2009 [30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 20137 Special Condition No. 10, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2) Failure to maintain records of sulfur dioxide ("SO<sub>2</sub>") emissions, stack oxygen concentration, and exhaust flow. Specifically, the Respondent has failed to maintain records from the Tail Gas Incinerator (EPN INC-1) for the January 13, 2008 through January 12, 2009 certification period [30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 20137 Special Condition Nos. 18D, 20, and 21, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$36,750</p> <p><b>Total Deferred:</b> \$7,350  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$29,400</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Ordering Provisions:</b></p> <p>The Order will require the Respondent to:</p> <p>a. Within 15 days after the effective date of this Agreed Order, develop and implement policies and/or procedures designed to ensure records of SO<sub>2</sub> emissions, stack oxygen concentration, and exhaust flow from the Tail Gas Incinerator are maintained and available for review for a period of two years;</p> <p>b. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Submit written certification demonstrating compliance with Ordering Provision a; and</p> <p>ii. Submit written certification that the Waukesha L7042 Engine is operating within existing limits of CO; or</p> <p>iii. Submit an administratively complete permit amendment application to address increased CO emissions from the Waukesha L7042 Engine.</p> <p>c. If submitting a permit amendment application in accordance with Ordering Provision b.iii, then respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment within 30 days after the date of such requests, or by any other deadline specified in writing;</p> <p>d. If submitting a permit amendment application in accordance with Ordering Provision b.iii, then within 180 days after the effective date of this Agreed Order, submit written certification that either authorization has been obtained for an increase in CO limits from the Waukesha L7042 Engine and is in compliance with those allowable emissions limits, or cease all unauthorized emissions from the Waukesha L7042 Engine until such time that appropriate authorization is obtained; and</p> <p>e. The certifications required by Ordering Provisions b.i, b.ii, and/or d. shall include</p>

		detailed supporting documentation including receipts, and/or other records to demonstrate compliance.
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Additional ID No(s): HT0016G





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

<b>DATES</b>	Assigned	10-Aug-2009	Screening	24-Aug-2009	EPA Due	6-Jun-2010
	PCW	8-Oct-2009				

<b>RESPONDENT/FACILITY INFORMATION</b>			
Respondent	WTG Gas Processing, L.P.		
Reg. Ent. Ref. No.	RN100211473		
Facility/Site Region	7-Midland	Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	38210	No. of Violations	2
Docket No.	2009-1371-AIR-E	Order Type	1860
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	James Nolan
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

<b>Penalty Calculation Section</b>			
<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>		<b>Subtotal 1</b>	<b>\$25,000</b>
<b>ADJUSTMENTS (+/-) TO SUBTOTAL 1</b>			
<small>Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.</small>			
<b>Compliance History</b>	47.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$11,750</b>
Notes	Penalty enhancement due to one previous similar NOV, one previous non-similar NOV, and two previous 1860-style agreed orders.		
<b>Culpability</b>	No 0.0% Enhancement	<b>Subtotal 4</b>	<b>\$0</b>
Notes	The Respondent does not meet the culpability criteria.		
<b>Good Faith Effort to Comply Total Adjustments</b>		<b>Subtotal 5</b>	<b>\$0</b>
<b>Economic Benefit</b>	0.0% Enhancement	<b>Subtotal 6</b>	<b>\$0</b>
Total EB Amounts	\$1,115	<small>*Capped at the Total EB \$ Amount</small>	
Approx. Cost of Compliance	\$7,000		
<b>SUM OF SUBTOTALS 1-7</b>		<b>Final Subtotal</b>	<b>\$36,750</b>
<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	<b>\$0</b>
<small>Reduces or enhances the Final Subtotal by the indicated percentage.</small>			
Notes			
		<b>Final Penalty Amount</b>	<b>\$36,750</b>
<b>STATUTORY LIMIT ADJUSTMENT</b>		<b>Final Assessed Penalty</b>	<b>\$36,750</b>
<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	<b>-\$7,350</b>
<small>Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)</small>			
Notes	Deferral offered for expedited settlement.		
<b>PAYABLE PENALTY</b>			<b>\$29,400</b>

Screening Date 24-Aug-2009

Docket No. 2009-1371-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 38210

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100211473

Media [Statute] Air

Enf. Coordinator James Nolan

### 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)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	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) 47%

>> 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 previous similar NOV, one previous non-similar NOV, and two previous 1660-style agreed orders.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 47%

<b>Screening Date</b> 24-Aug-2009	<b>Docket No.</b> 2009-1371-AIR-E																			
<b>Respondent</b> WTG Gas Processing, L.P.	<b>PCW</b> <small>Policy Revision 2 (September 2002) PCW Revision October 30, 2009</small>																			
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<b>Violation Number</b> <input type="text" value="1"/>																				
<b>Rule Cite(s)</b>	30 Tex. Admin. Code § 116.115(c), New Source Review Permit No. 20137 Special Condition No. 10, and Tex. Health & Safety Code § 382.085(b)																			
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<b>Base Penalty</b>	<input type="text" value="\$10,000"/>																			
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>																				
<b>OR</b>	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <th colspan="3">Harm</th> <td></td> </tr> <tr> <td><b>Release</b></td> <th>Major</th> <th>Moderate</th> <th>Minor</th> <th></th> </tr> <tr> <td>Actual</td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input checked="" type="checkbox"/></td> <td rowspan="2"><b>Percent</b> <input type="text" value="25%"/></td> </tr> <tr> <td>Potential</td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </table>		Harm				<b>Release</b>	Major	Moderate	Minor		Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<b>Percent</b> <input type="text" value="25%"/>	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>
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	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="0%"/>															
<b>Matrix Notes</b>	Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.																			
<b>Adjustment</b>	<input type="text" value="\$7,500"/>																			
<input type="text" value="\$2,500"/>																				
<b>Violation Events</b>																				
Number of Violation Events	<input type="text" value="7"/> <input type="text" value="589"/> Number of violation days																			
mark only one with an x	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td>daily</td><td><input type="text"/></td></tr> <tr><td>weekly</td><td><input type="text"/></td></tr> <tr><td>monthly</td><td><input type="text"/></td></tr> <tr><td>quarterly</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>semiannual</td><td><input type="text"/></td></tr> <tr><td>annual</td><td><input type="text"/></td></tr> <tr><td>single event</td><td><input type="text"/></td></tr> </table>	daily	<input type="text"/>	weekly	<input type="text"/>	monthly	<input type="text"/>	quarterly	<input checked="" type="checkbox"/>	semiannual	<input type="text"/>	annual	<input type="text"/>	single event	<input type="text"/>					
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single event	<input type="text"/>																			
<b>Violation Base Penalty</b>	<input type="text" value="\$17,500"/>																			
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">                 Seven quarterly events are recommended beginning with the first date of the compliance period (01/13/2008) and ending with case screening (08/24/2009).             </div>																				
<b>Good Faith Efforts to Comply</b>	<input type="text" value="0.0%"/> <b>Reduction:</b> <input type="text" value="\$0"/>																			
	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <th>Before NOV</th> <th>NOV to EDPRP/Settlement Offer</th> </tr> <tr> <td>Extraordinary</td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> <tr> <td>Ordinary</td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> <tr> <td>N/A</td> <td><input checked="" type="checkbox"/></td> <td>(mark with x)</td> </tr> </table>		Before NOV	NOV to EDPRP/Settlement Offer	Extraordinary	<input type="text"/>	<input type="text"/>	Ordinary	<input type="text"/>	<input type="text"/>	N/A	<input checked="" type="checkbox"/>	(mark with x)							
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Extraordinary	<input type="text"/>	<input type="text"/>																		
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N/A	<input checked="" type="checkbox"/>	(mark with x)																		
<b>Notes</b>	The Respondent does not meet the good faith criteria for this violation.																			
<b>Violation Subtotal</b>	<input type="text" value="\$17,500"/>																			
<b>Economic Benefit (EB) for this violation</b>																				
<b>Estimated EB Amount</b>	<input type="text" value="\$383"/> <b>Statutory Limit Test</b>																			
<b>Violation Final Penalty Total</b>	<input type="text" value="\$25,725"/>																			
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$25,725"/>																				

## Economic Benefit Worksheet

**Respondent** WTG Gas Processing, L.P.  
**Case ID No.** 38210  
**Reg. Ent. Reference No.** RN100211473  
**Media** Air  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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	\$2,000	13-Jan-2008	10-May-2010	2.32	\$15	\$310	\$325
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$500	13-Jan-2008	10-May-2010	2.32	\$58	n/a	\$58
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 to operate within permitted limits or obtain a permit amendment. The date required is the first date of permit exceedance and the final date is the estimated date of compliance.

**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	\$2,500	<b>TOTAL</b>	\$383
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<b>Violation Number</b> <input type="text" value="2"/>																				
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<b>Good Faith Efforts to Comply</b>																				
<b>0.0% Reduction</b>	<input type="text" value="\$0"/>																			
<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <th>Before NOV</th> <th>NOV to EDPRP/Settlement Offer</th> </tr> <tr> <td>Extraordinary</td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> <tr> <td>Ordinary</td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> <tr> <td>N/A</td> <td style="text-align: center;">x</td> <td style="text-align: center;">(mark with x)</td> </tr> </table>		Before NOV	NOV to EDPRP/Settlement Offer	Extraordinary	<input type="text"/>	<input type="text"/>	Ordinary	<input type="text"/>	<input type="text"/>	N/A	x	(mark with x)								
	Before NOV	NOV to EDPRP/Settlement Offer																		
Extraordinary	<input type="text"/>	<input type="text"/>																		
Ordinary	<input type="text"/>	<input type="text"/>																		
N/A	x	(mark with x)																		
<b>Notes</b>	The Respondent does not meet the good faith criteria for this violation.																			
<b>Violation Subtotal</b>	<input type="text" value="\$7,500"/>																			
<b>Economic Benefit (EB) for this violation</b>																				
<b>Estimated EB Amount</b>	<input type="text" value="\$732"/>																			
<b>Statutory Limit Test</b>																				
<b>Violation Final Penalty Total</b>	<input type="text" value="\$11,025"/>																			
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$11,025"/>																				

## Economic Benefit Worksheet

**Respondent** WTG Gas Processing, L.P.  
**Case ID No.** 38210  
**Reg. Ent. Reference No.** RN100211473  
**Media** Air  
**Violation No.** 2

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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	\$3,000	13-Jan-2008	10-May-2010	2.32	\$23	\$465	\$488
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction	\$1,500	13-Jan-2008	10-May-2010	2.32	\$12	\$232	\$244
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)				0.00	\$0	n/a	\$0

**Notes for DELAYED costs**

Estimated cost to replace hardware to allow for printing of CEMS monitoring data. The date required is the first date of the certification period and the final date is the estimated date of compliance.

**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**

\$4,500

**TOTAL**

\$732

# Compliance History Report

Customer/Respondent/Owner-Operator:	CN600125439	WTG Gas Processing, L.P.	Classification: AVERAGE	Rating: 8.81																																	
Regulated Entity:	RN100211473	EAST VEALMOOR GAS PLANT	Classification: AVERAGE	Site Rating: 33.22																																	
ID Number(s):	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">AIR OPERATING PERMITS</td> <td style="width: 30%;">ACCOUNT NUMBER</td> <td style="width: 30%;">HT0016G</td> </tr> <tr> <td>AIR OPERATING PERMITS</td> <td>PERMIT</td> <td>625</td> </tr> <tr> <td>AIR OPERATING PERMITS</td> <td>PERMIT</td> <td>3180</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>5301</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>8461</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>20137</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>27064</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>37218</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>47146</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>ACCOUNT NUMBER</td> <td>HT0016G</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>AFS NUM</td> <td>4822700003</td> </tr> </table>			AIR OPERATING PERMITS	ACCOUNT NUMBER	HT0016G	AIR OPERATING PERMITS	PERMIT	625	AIR OPERATING PERMITS	PERMIT	3180	AIR NEW SOURCE PERMITS	PERMIT	5301	AIR NEW SOURCE PERMITS	PERMIT	8461	AIR NEW SOURCE PERMITS	PERMIT	20137	AIR NEW SOURCE PERMITS	PERMIT	27064	AIR NEW SOURCE PERMITS	PERMIT	37218	AIR NEW SOURCE PERMITS	PERMIT	47146	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HT0016G	AIR NEW SOURCE PERMITS	AFS NUM	4822700003	
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Location:	16 MI NORTH OF COAHOMA ON TEXAS RR 846																																				
TCEQ Region:	REGION 07 - MIDLAND																																				
Date Compliance History Prepared:	August 24, 2009																																				
Agency Decision Requiring Compliance History:	Enforcement																																				
Compliance Period:	August 24, 2004 to August 24, 2009																																				
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History																																					
Name:	<u>James Nolan</u>		Phone:	<u>(512) 239-6634</u>																																	

## 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? Yes
3. If Yes, who is the current owner/operator? WTG Gas Processing, L.P.
4. If Yes, who was/were the prior owner(s)/operator(s) ? Chevron U.S.A. Inc.
5. When did the change(s) in owner or operator occur? 10/24/2004    Chevron U.S.A. Inc.
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: 07/15/2005   | ADMINORDER 2004-1629-AIR-E |
| Classification: Moderate   |                            |
| Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)<br>30 TAC Chapter 122, SubChapter B 122.146  |                            |
| 5C THC Chapter 382, SubChapter A 382.085(b)  |                            |
| Description: Failed to submit complete and timely Annual Federal Operating PCC and associated DRs for March 10, 2003 to January 12, 2004 |                            |
| Classification: Moderate   |                            |
| Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)<br>5C THC Chapter 382, SubChapter A 382.085(b)                               |                            |
| Rqmt Prov: Permit No. 20137, Special Condition 8 PERMIT  |                            |
| Description: Failed to maintain the maximum pounds/hour (lbs/hr) allowable emission rate for sulfur dioxide                              |                            |
| Classification: Moderate   |                            |
| Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)<br>5C THC Chapter 382, SubChapter A 382.085(b)                                     |                            |
| Rqmt Prov: Permit No. 20137, Special Condition 4 PERMIT  |                            |

Description: Failed to maintain the minimum sulfur recovery efficiency rate based on the amount of sulfur being processed

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

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

Rqmt Prov: Permit No. 20137, Special Condition 1 PERMIT

Description: Failed to conduct monthly leak detection monitoring for VOC emissions

Effective Date: 01/28/2008

ADMINORDER 2007-0722-AIR-E

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)

30 TAC Chapter 122, SubChapter B 122.145(2)(C)

30 TAC Chapter 122, SubChapter B 122.146(2)

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

Description: Failed to submit an annual certification and semi-annual deviation reports within 30 days and submit all instances of deviations, as documented during an investigation conducted on February 13, 2007. Specifically, the annual certification for the period 1/13/05 through 1/12/06 and the semi-annual deviation reports for the periods 1/13/04 through 7/12/04 and 1/13/05 through 7/12/05 were not submitted within 30 days and failed to include all instances of failure to comply with minimum sru effs.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

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

Rqmt Prov: 5301 PERMIT

Special Condition 6.B. PERMIT

Description: Failed to perform the annual evaluation of the catalyst degradation for Emission Point No. CM-20, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 5301, Special Condition No. 6B and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 13, 2007.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT LLL 60.642(b)

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

Rqmt Prov: MAERT PERMIT

Description: Failed to prevent the exceedance of sulfur dioxide and maintaining sulfur dioxide reduction efficiency above the 74% federal minimum requirement and 94% permitted minimum requirement for the reporting periods January 13, 2004 to January 12, 2007, as documented during an investigation conducted on February 13, 2007.

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)

30 TAC Chapter 122, SubChapter B 122.146(2)

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

Description: Failed to properly submit semi-annual deviation reports and include all instances of deviations, as documented during an investigation conducted on February 13, 2007. Specifically, semi-annual deviation reports for the reporting periods 7/13/04 - 1/12/05, 7/13/05 - 1/12/06, 1/13/06 - 7/12/06 and 7/13/06 - 1/12/07 did not include deviations for the late submittal of previous deviation reports and included incorrect reporting of instances where WTG failed to comply with minimum SRU efficiencies.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	09/29/2004	(290893)
2	01/20/2006	(377556)
3	05/18/2006	(466719)
4	04/04/2007	(555226)
5	01/16/2009	(685433)
6	07/01/2009	(760328)
7	08/03/2009	(764110)

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

Date: 01/16/2009 (685433) CN600125439  
Self NO Classification: Major  
Citation: 30 TAC Chapter 122, SubChapter B 122.146(5)(C)

Description: 5C THSC Chapter 382 382.085(b)  
Failure to properly report deviations involving the failure to comply with the permitted minimum sulfur recovery unit efficiencies. All deviations due to the SRU inability to maintain efficiency were reported as deviations; however, the entries were for specified periods of time rather than individual days. Each deviation should be reported separately.

Date: 08/03/2009 (764110) CN600125439  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THSC Chapter 382 382.085(b)  
Description: Failure to submit RATA test to regional office within 30 days of test.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THSC Chapter 382 382.085(b)  
Description: Failure to report all instances of deviation on deviation report.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THSC Chapter 382 382.085(b)  
NSR Permit No. 20137 PERMIT  
Description: Failure to maintain records as stipulated in the permit.

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  
WTG GAS PROCESSING, L.P.  
RN100211473**

§  
§  
§  
§  
§

**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2009-1371-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 WTG Gas Processing, L.P. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a gas processing plant 16 miles north of Coahoma on Ranch Road 846 in Howard 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 notices of the violations alleged in Section II ("Allegations") on or about August 8, 2009 and September 14, 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 Seven Hundred Fifty Dollars (\$36,750) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-Nine Thousand Four Hundred Dollars (\$29,400) of the administrative penalty and Seven Thousand Three Hundred Fifty Dollars

- ((\$7,350) 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 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.
  10. 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.
  11. 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 maintain an emission rate below the allowable 1.0 grams per horsepower hour ("g/hp-hr") limit for carbon monoxide ("CO") from the Waukesha L7042 Engine (Emission Point Number ["EPN"] CM16), in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 20137 Special Condition No. 10, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 20, 2009. Specifically, the Respondent exceeded the permitted CO emission limit from January 2008 through August 2009.
2. Failed to maintain records of sulfur dioxide ("SO<sub>2</sub>") emissions, stack oxygen concentration, and exhaust flow, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 20137 Special Condition Nos. 18D, 20, and 21, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during investigations conducted on July 20, 2009 and September 4, 2009. Specifically, the Respondent has failed to maintain records from the Tail Gas Incinerator (EPN INC-1) for the January 13, 2008 through January 12, 2009 certification period.

## 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: WTG Gas Processing, L.P., Docket No. 2009-1371-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 15 days after the effective date of this Agreed Order, develop and implement policies and/or procedures designed to ensure records of SO<sub>2</sub> emissions, stack oxygen concentration, and exhaust flow from the Tail Gas Incinerator are maintained and available for review for a period of two years;
  - b. Within 30 days after the effective date of this Agreed Order:
    - i. Submit written certification as described in Ordering Provision No. 2.e. to demonstrate compliance with Ordering Provision No. 2.a.; and
    - ii. Submit written certification that the Waukesha L7042 Engine is operating within existing limits of CO; or
    - iii. Submit an administratively complete permit amendment application to address increased CO emissions from the Waukesha L7042 Engine to:

Air Permits Division, MC 162  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087
  - c. If submitting a permit amendment application in accordance with Ordering Provision No. 2.b.iii, then respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment within 30 days after the date of such requests, or by any other deadline specified in writing;
  - d. If submitting a permit amendment application in accordance with Ordering Provision No. 2.b.iii, then within 180 days after the effective date of this Agreed Order, submit written certification that either authorization has been obtained for an increase in CO limits from the Waukesha L7042 Engine and is in compliance with those allowable emissions limits,

or cease all unauthorized emissions from the Waukesha L7042 Engine until such time that appropriate authorization is obtained; and

- e. The certifications required by Ordering Provisions 2.b.i., 2.b.ii., and/or 2.d. shall include detailed supporting documentation including receipts, and/or other records to demonstrate compliance, 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 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  
Midland Regional Office  
Texas Commission on Environmental Quality  
3300 North A Street, Building 4, Suite 107  
Midland, Texas 79705-5404

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.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

  
\_\_\_\_\_  
For the Executive Director

3/26/2010  
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

12-16-09  
Date

J.L. Davis  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
WTG Gas Processing, L.P.

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.