

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2010-1221-AIR-E **TCEQ ID:** RN100225796 **CASE NO.:** 40099
RESPONDENT NAME: PVR Natural Gas Gathering 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: Hemphill County Compressor Station 2, on Farm-to-Market Road 2266, 9.4 miles east from the intersection of Highway 83 and Farm-to-Market Road 2266 near Canadian, Hemphill County</p> <p>TYPE OF OPERATION: Natural gas transmission plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on January 3, 2010. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Miriam Hall, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-1044; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495 Respondent: Ms. Andrea B. McMillen, Environmental Manager, PVR Natural Gas Gathering LLC, 8080 North Central Expressway, Suite 900, Dallas, Texas 75206 Mr. Michael W. Wood, Vice President of Operations, PVR Natural Gas Gathering LLC, 8080 North Central Expressway, Suite 900, Dallas, Texas 75206 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: April 30, 2010</p> <p>Date of NOV/NOE Relating to this Case: June 29, (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failed to conduct performance testing. Specifically, within seven days after the replacement of oxygen sensors in two compressor engines (Emission Point Numbers ("EPN") ENG3B and ENG4A), the Respondent failed to conduct performance testing to document proper operation of the engines [30 TEX. ADMIN. CODE § 106.512(2)(C)(ii) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failed to obtain proper authorization. Specifically, from January 16, 2009 to February 2, 2009, the Respondent operated a compressor engine, ENG1, prior to obtaining authorization [30 TEX. ADMIN. CODE §§ 116.110(a) and 122.143(4), TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), Federal Operating Permit ("FOP") No. O-0725, and General Operating Permit ("GOP") 514, Site-wide requirements (b)(7)(A)].</p> <p>3) Failed to maintain and document daily notations in a flare operation log. Specifically, flare observations are required to be noted daily in an operation log for the Emission Volatiles Aromatic Control Flare (EPN FLR-1), including the time of day and the existence of visible emissions from the flare [30 TEX. ADMIN. CODE § 111.111(a)(4)(A)(ii) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$14,961</p> <p>Total Deferred: \$2,992 <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: \$11,969</p> <p>Compliance History Classification: Person/CN – Average Site/RN – High</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 February 2, 2009, voided NSR Permit No. 104 and obtained authorization to operate the Plant through the issuance of Permit by Rule Registration No. 87096; therefore, the Respondent is no longer required to maintain monthly records of all flow rates and total sulfur content of gas processing streams and combustion fuel streams and measure the firebox operating temperature; and</p> <p>b. On November 3, 2009, voided FOP No. O-0725 and GOP 514; therefore, the Respondent is no longer required to maintain a daily flare operation log and an observation log for stationary vents from emission units.</p> <p>Ordering Provisions:</p> <p>The Order will require the Respondent to, within 180 days after the effective date of this Agreed Order, submit written certification that the performance tests have been conducted in accordance with 30 TEX. ADMIN. CODE § 106.512(2)(C)(ii) to demonstrate that ENG3B and ENG4A are in compliance.</p>

<p>4) Failed to maintain monthly records of all flow rates and total sulfur content of gas processing streams and combustion fuel unit streams from July 1, 2008 to February 2, 2009 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review ("NSR") Permit No. 104, Special Condition 3, FOP No. O-0725, and GOP 514, Site-wide requirements (b)(7)].</p> <p>5) Failed to measure the firebox operating temperature. Specifically, the Respondent failed to ensure that the percent destruction and removal efficiency of volatile organic compounds was met by measuring the firebox operating temperature from July 1, 2008 to February 2, 2009 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), NSR Permit No. 104, Special Condition 5, FOP No. O-0725, and GOP 514, Site-wide requirements (b)(7)].</p> <p>6) Failed to maintain a complete observation log for stationary vents from emission units in operation. Specifically, the Respondent did not include the date, time of the observations, and the name of the observer on the log from July 2008 to August 2009 [30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O-0725, and GOP 514, Site-wide requirements (b)(8)(A)(iv)(c)].</p>		
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Additional ID No(s): HL0033U



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	6-Jul-2010	Screening	22-Jul-2010	EPA Due	
	PCW	11-Oct-2010				

RESPONDENT/FACILITY INFORMATION	
Respondent	PVR Natural Gas Gathering LLC
Reg. Ent. Ref. No.	RN100225796
Facility/Site Region	1-Amarillo
Major/Minor Source	Major

CASE INFORMATION		No. of Violations	6
Enf./Case ID No.	40099	Order Type	1660
Docket No.	2010-1221-AIR-E	Government/Non-Profit	No
Media Program(s)	Air	Enf. Coordinator	Kirk Schoppe
Multi-Media		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	\$17,100
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ADJUSTMENTS (+/-) TO SUBTOTAL 1		Subtotals 2, 3, & 7	\$0
<small>Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the Indicated percentage.</small>			
Compliance History	0.0% Enhancement		

Notes: No adjustment for Compliance History.

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	\$3,775
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
Total EB Amounts	\$1,778	<small>*Capped at the Total EB \$ Amount</small>	
Approx. Cost of Compliance	\$6,450		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$13,325
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OTHER FACTORS AS JUSTICE MAY REQUIRE	12.3%	Adjustment	\$1,636
<small>Reduces or enhances the Final Subtotal by the indicated percentage.</small>			

Notes: Recommended enhancement to capture the avoided costs of compliance associated to violation nos. 3, 4, 5, and 6.

Final Penalty Amount	\$14,961
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$14,961
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DEFERRAL	20.0% Reduction	Adjustment	-\$2,992
<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.

PAYABLE PENALTY	\$11,969
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Screening Date 22-Jul-2010

Docket No. 2010-1221-AIR-E

PCW

Respondent PVR Natural Gas Gathering LLC

Policy Revision 2 (September 2002)

Case ID No. 40099

PCW Revision October 30, 2008

Reg. Ent. Reference No: RN100225796

Media [Statute] Air

Enf. Coordinator Kirk Schoppe

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("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)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<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) 0%

>> 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

No adjustment for Compliance History.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

Screening Date 22-Jul-2010

Docket No. 2010-1221-AIR-E

PCW

Respondent PVR Natural Gas Gathering LLC

Policy Revision 2 (September 2002)

Case ID No. 40099

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100225796

Media [Statute] Air

Enf. Coordinator Kirk Schoppe

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 106.512(2)(C)(ii) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to conduct performance testing. Specifically, within seven days after the replacement of oxygen sensors in two compressor engines (Emission Point Numbers ("EPN") ENG3B and ENG4A), the Respondent failed to conduct performance testing to document proper operation of the engines.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			X

Percent 10%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Failure to perform required test methods could have resulted in the release of an insignificant amount of pollutants which would not exceed levels protective of human health and/or the environment.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 2 199 Number of violation days

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

Violation Base Penalty \$2,000

Two single events are recommended based on the failure to conduct required performance tests on two compressor engines.

Good Faith Efforts to Comply

0.0% Reduction

\$0

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

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$136

Violation Final Penalty Total \$2,246

This violation Final Assessed Penalty (adjusted for limits) \$2,246

Economic Benefit Worksheet

Respondent: PVR Natural Gas Gathering LLC

Case ID No.: 40099

Reg. Ent. Reference No.: RN100225796

Media: Air

Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description: No commas or /

Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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	\$2,000	4-Jan-2010	14-May-2011	1.36	\$136	\$136
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 perform the required performance tests. Date required is the date the performance tests were required. Final date is the date of projected compliance.

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

\$2,000

TOTAL

\$136

Screening Date 22-Jul-2010

Docket No. 2010-1221-AIR-E

PCW

Respondent PVR Natural Gas Gathering LLC

Policy Revision 2 (September 2002)

Case ID No. 40099

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100225796

Media [Statute]: Air

Enf. Coordinator Kirk Schoppe

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.110(a) and 122.143(4), Tex. Health & Safety Code §§ 382.0518(a) and 382.085(b), Federal Operating Permit ("FOP") No. O-0725, and General Operating Permit ("GOP") 514, Site-wide requirements (b)(7)(A)

Violation Description

Failed to obtain proper authorization. Specifically, from January 16, 2009 to February 2, 2009, the Respondent operated a compressor engine, ENGL, prior to obtaining authorization.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0%
	Potential				

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
		X			25%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 17

mark only one with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$2,500

One quarterly event is recommended based on the period of operation without authorization from January 16, 2009 to February 2, 2009.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes

The Respondent returned to compliance on February 2, 2009, and the NOE is dated June 29, 2010.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6

Violation Final Penalty Total \$2,105

This violation Final Assessed Penalty (adjusted for limits) \$2,105

Economic Benefit Worksheet

Respondent: PVR Natural Gas Gathering LLC
Case ID No.: 40099
Reg. Ent. Reference No.: RN100225796
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

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	\$2,450	16-Jan-2009	2-Feb-2009	0.05	\$6	n/a	\$6
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost for preparation and submittal of a Permit by Rule application. Date required is the first date of violation. Final date is the date of compliance.

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

\$2,450

TOTAL

\$6

Screening Date 22-Jul-2010

Docket No. 2010-1221-AIR-E

PCW

Respondent PVR Natural Gas Gathering LLC

Policy Revision 2 (September 2002)

Case ID No. 40099

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100225796

Media [Statute] Air

Enf. Coordinator Kirk Schoppe

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code § 111.111(a)(4)(A)(ii) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to maintain and document daily notations in a flare operation log. Specifically, flare observations are required to be noted daily in an operation log for the Emission Volatiles Aromatic Control Flare (EPN-FLR-1), including the time of day and the existence of visible emissions from the flare.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual					0%
Potential					

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
		X			25%
100% of the rule requirement was not met.					

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

84 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$2,500

One single event is recommended based on the investigation date, April 30, 2010.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes

The Respondent returned to compliance on November 3, 2009 and the NOE is dated June 29, 2010.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$352

Violation Final Penalty Total \$2,105

This violation Final Assessed Penalty (adjusted for limits) \$2,105

Economic Benefit Worksheet

Respondent: PVR Natural Gas Gathering LLC

Case ID No.: 40099

Reg. Ent. Reference No.: RN100225796

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
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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

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	\$250	1-Jul-2008	3-Nov-2009	1.34	\$17	\$336	\$352
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

Estimated avoided cost for additional oversight and management practices designed to ensure proper record keeping procedures are followed. Date required is the date the Plant was acquired. Final date is the date of compliance.

Approx. Cost of Compliance

\$250

TOTAL

\$352

Screening Date 22-Jul-2010

Docket No. 2010-1221-ATR-E

PCW

Respondent PVR Natural Gas Gathering LLC

Policy Revision 2 (September 2002)

Case ID No. 40099

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100225796

Media [Statute] Air

Enf. Coordinator Kirk Schoppe

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), New Source Review ("NSR") Permit No. 104, Special Condition 3, FOP No. O-0725, and GOP 514, Site-wide requirements (b)(7)

Violation Description

Failed to maintain monthly records of all flow rates and total sulfur content of gas processing streams and combustion fuel unit streams from July 1, 2008 to February 2, 2009.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

217 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$2,500

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes

The Respondent returned to compliance on February 2, 2009, and the NOE is dated June 29, 2010.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$155

Violation Final Penalty Total \$2,105

This violation Final Assessed Penalty (adjusted for limits) \$2,105

Economic Benefit Worksheet

Respondent: PVR Natural Gas Gathering LLC

Case ID No.: 40099

Reg. Ent. Reference No.: RN100225796

Media: Air

Violation No.: 4

Percent Interest	Years of Depreciation
5.0	15

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

Item Description: No commas or \$

Delayed Costs

Equipment			0.00	\$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)			0.00	\$0	n/a	\$0

Notes for DELAYED costs

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	\$250	1-Jul-2008	2-Feb-2009	0.59	\$7	\$148
Supplies/equipment			0.00	\$0	\$0	\$155
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

Estimated avoided cost for additional oversight and management practices designed to ensure proper record keeping procedures are followed. Date required is the date the Plant was acquired. Final date is the date of compliance.

Approx. Cost of Compliance \$250

TOTAL \$155

Screening Date 22-Jul-2010

Docket No. 2010-1221-AIR-E

PCW

Respondent PVR Natural Gas Gathering LLC

Policy Revision 2 (September 2002)

Case ID No. 40099

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100225796

Media [Statute] Air

Enf. Coordinator Kirk Schoppe

Violation Number 5

Rule Cite(s) 30 Tex. Adm. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), NSR Permit No. 104, Special Condition 5, FOP No. O-0725, and GOP 514, Site-wide requirements (b)(7)

Violation Description

Failed to measure the firebox operating temperature. Specifically, the Respondent failed to ensure that the percent destruction and removal efficiency of volatile organic compounds was met by measuring the firebox operating temperature from July 1, 2008 to February 2, 2009.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				25%
	Potential		x		

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%

Failure to perform required measurements could have resulted in the release of a significant amount of pollutants which would not exceed levels protective of human health and/or the environment.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 3 Number of violation days 217

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$7,500

Three quarterly events are recommended based on the date the Plant was acquired, July 1, 2008, to the date of compliance, February 2, 2009.

Good Faith Efforts to Comply

25.0% Reduction

\$1,875

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

Notes The Respondent returned to compliance on February 2, 2009, and the NOE is dated June 29, 2010.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$777

Violation Final Penalty Total \$6,316

This violation Final Assessed Penalty (adjusted for limits) \$6,316

Economic Benefit Worksheet

Respondent PVR Natural Gas Gathering LLC
Case ID No. 40099
Reg. Ent. Reference No. RN100225796
Media Air
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

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	\$1,250	1-Jul-2008	2-Feb-2009	0.59	\$37	\$740	\$777
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

Estimated avoided cost for additional oversight and management practices designed to ensure proper record keeping and measurement procedures are followed. Date required is the date the Plant was acquired. Final date is the date of compliance.

Approx. Cost of Compliance

\$1,250

TOTAL

\$777

Screening Date 22-Jul-2010

Docket No. 2010-1221-AIR-E

PCW

Respondent PVR Natural Gas Gathering LLC

Policy Revision 2 (September 2002)

Case ID No. 40099

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100225796

Media [Statute] Air

Enf. Coordinator Kirk Schoppe

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 0-0725, and GOP 514, Site-wide requirements (b)(8)(A)(iv)(c)

Violation Description

Failed to maintain a complete observation log for stationary vents from emission units in operation. Specifically, the Respondent did not include the date, time of the observations, and the name of the observer on the log from July 2008 to August 2009.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes

Less than 30% of the rule requirement was not met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1

426 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.

Good Faith Efforts to Comply

25.0% Reduction

\$25

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

Notes The Respondent returned to compliance on November 3, 2009, and the NOE is dated June 29, 2010.

Violation Subtotal \$75

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$352

Violation Final Penalty Total \$84

This violation Final Assessed Penalty (adjusted for limits) \$84

Economic Benefit Worksheet

Respondent: PVR Natural Gas Gathering LLC

Case ID No.: 40099

Reg. Ent. Reference No.: RN100225796

Media: Air

Violation No.: 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

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	\$250	1-Jul-2008	3-Nov-2009	1.34	\$17	\$336	\$352
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

Estimated avoided cost for additional oversight and management practices designed to ensure proper record-keeping procedures are followed. Date required is the date the Plant was acquired. Final date is the date of compliance.

Approx. Cost of Compliance

\$250

TOTAL

\$352

Compliance History Report

Customer/Respondent/Owner-Operator: CN601377070 PVR Natural Gas Gathering LLC Classification: AVERAGE Rating: 2.46
Regulated Entity: RN100225796 HEMPHILL COUNTY COMPRESSOR STATION 2 Classification: HIGH Site Rating: 0.00

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HL0033U
	AIR OPERATING PERMITS	PERMIT	725
	AIR OPERATING PERMITS	PERMIT	3179
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HL0033U
	AIR NEW SOURCE PERMITS	REGISTRATION	87096
	AIR NEW SOURCE PERMITS	AFS NUM	4821100034
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	HL0033U

Location: FARM-TO-MARKET ROAD 2266, 9.4 MILES EAST
FROM THE INTERSECTION OF HIGHWAY 83
AND FARM-TO-MARKET ROAD 2266 NEAR
CANADIAN, HEMPHILL COUNTY, TEXAS

TCEQ Region: REGION 01 - AMARILLO

Date Compliance History Prepared: July 08, 2010
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: July 08, 2005 to July 08, 2010

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

Name: Kirk Schoppe Phone: (512) 239-0489

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 - OWNOPR
3. If Yes, who is the current owner/operator? PVR Natural Gas Gathering LLC
4. If Yes, who was/were the prior owner(s)/operator(s)? OWNOPR - Northern Natural Gas Company
5. When did the change(s) in owner or operator occur? 07/01/2008 – OWNOPR - Northern Natural Gas Company
6. Rating Date: 9/1/2009 Repeat Violator: NO

Components (Multimedia) for the Site:

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.
N/A
 - B. Any criminal convictions of the state of Texas and the federal government.
N/A
 - C. Chronic excessive emissions events.
N/A
 - D. The approval dates of investigations. (CCEDS Inv. Track. No.)
 - 1 01/13/2006 (434716)
 - 2 10/31/2006 (515890)
 - 3 01/10/2008 (612441)
 - 4 07/10/2008 (685095)
 - 5 02/24/2009 (721070)
 - 6 06/29/2010 (799564)
 - 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
PVR NATURAL GAS GATHERING
LLC
RN100225796**

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§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2010-1221-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 PVR Natural Gas Gathering 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 transmission plant on Farm-to-Market Road 2266, 9.4 miles east from the intersection of Highway 83 and Farm-to-Market Road 2266 near Canadian, Hemphill 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 July 4, 2010.
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 Fourteen Thousand Nine Hundred Sixty-One Dollars (\$14,961) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eleven Thousand Nine Hundred Sixty-Nine Dollars (\$11,969) of the administrative penalty and Two Thousand Nine Hundred Ninety-Two Dollars (\$2,992) 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 February 2, 2009, voided New Source Review ("NSR") Permit No. 104 and obtained authorization to operate the Plant through the issuance of Permit by Rule Registration No. 87096; therefore, the Respondent is no longer required to maintain monthly records of all flow rates and total sulfur content of gas processing streams and combustion fuel streams and measure the firebox operating temperature; and
 - b. On November 3, 2009, voided Federal Operating Permit ("FOP") No. O-0725 and General Operating Permit ("GOP") 514; therefore, the Respondent is no longer required to maintain a daily flare operation log and an observation log for stationary vents from emission units.
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 conduct performance testing, in violation of 30 TEX. ADMIN. CODE § 106.512(2)(C)(ii) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on April 30, 2010. Specifically, within seven days after the replacement of oxygen sensors in two compressor engines (Emission Point Numbers ("EPN") ENG3B and ENG4A), the Respondent failed to conduct performance testing to document proper operation of the engines.
2. Failed to obtain proper authorization, in violation of 30 TEX. ADMIN. CODE §§ 116.110(a) and 122.143(4), TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), FOP No. O-0725, and GOP 514, Site-wide requirements (b)(7)(A), as documented during an investigation conducted on April 30, 2010. Specifically, from January 16, 2009 to February 2, 2009, the Respondent operated a compressor engine, ENG1, prior to obtaining authorization.
3. Failed to maintain and document daily notations in a flare operation log, in violation of 30 TEX. ADMIN. CODE § 111.111(a)(4)(A)(ii) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on April 30, 2010. Specifically, flare observations are required to be noted daily in an operation log for the Emission Volatiles Aromatic Control Flare (EPN FLR-1), including the time of day and the existence of visible emissions from the flare.
4. Failed to maintain monthly records of all flow rates and total sulfur content of gas processing streams and combustion fuel unit streams from July 1, 2008 to February 2, 2009, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), NSR Permit No. 104, Special Condition 3, FOP No. O-0725, and GOP 514, Site-wide requirements (b)(7), as documented during an investigation conducted on April 30, 2010.
5. Failed to measure the firebox operating temperature, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), NSR Permit No. 104, Special Condition 5, FOP No. O-0725, and GOP 514, Site-wide requirements (b)(7), as documented during an investigation conducted on April 30, 2010. Specifically, the Respondent failed to ensure that the percent destruction and removal efficiency of volatile organic compounds was met by measuring the firebox operating temperature from July 1, 2008 to February 2, 2009.
6. Failed to maintain a complete observation log for stationary vents from emission units in operation, in violation of 30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O-0725, and GOP 514, Site-wide requirements (b)(8)(A)(iv)(c), as documented during an investigation conducted on April 30, 2010. Specifically, the Respondent did not include the date, time of the observations, and the name of the observer on the log from July 2008 to August 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: PVR Natural Gas Gathering LLC, Docket No. 2010-1221-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, within 180 days after the effective date of this Agreed Order, the Respondent shall submit written certification that the performance tests have been conducted in accordance with 30 TEX. ADMIN. CODE § 106.512(2)(C)(ii) to demonstrate that ENG3B and ENG4A are in compliance. 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 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
Amarillo Regional Office
Texas Commission on Environmental Quality
3918 Canyon Drive
Amarillo, Texas 79109-4933

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 separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
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

John Szolner
For the Executive Director

12/21/2010
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.

Michael W. Wood
Signature

10/28/2010
Date

Michael W. Wood
Name (Printed or typed)
Authorized Representative of
PVR Natural Gas Gathering LLC

V.P. Operations
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.