EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO. 2010-0193-AIR-E RN100216902 CASE NO. 39111
RESPONDENT NAME: DOLPHIN PETROLEUM, LP

ORDER TYPE:		
_X_1660 AGREED ORDER	___FINDINGS AGREED ORDER	_____FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	_____IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
_X_AIR	___MULTI-MEDIA (check all that apply)	___INDUSTRIAL HAZARDOUS WASTE
___PUBLIC WATER SUPPLY	___PETROLEUM STORAGE TANKS	___OCCUPATIONAL CERTIFICATION
___WATER QUALITY	___SEWAGE SLUDGE	_____UNDERGROUND INJECTION CONTROL
___MUNICIPAL SOLID WASTE	___RADIOACTIVE WASTE	___ DRY CLEANER REGISTRATION

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

TYPE OF OPERATION: oil and gas production plant

SMALL BUSINESS: _X__ Yes ____ No ___ N/A

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and Respondent expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired January 10, 2011. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney: Ms. Anna Treadwell, Litigation Division, MC 175, (512) 239-3400
Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-3400
TCEQ Enforcement Coordinator: Ms. Gena Hawkins, Air Enforcement Section, MC 149, (512) 239-2583
TCEQ Regional Contact: Mr. David Kennebeck, Corpus Christi Regional Office, MC R-14, (361) 825-3111
Respondent: Mr. Ken Conway, President, Dolphin Petroleum Management, L.L.C., P.O. Box 90, Alice, Texas 78333
Respondent's Attorney: Not represented by counsel on this enforcement matter.

RESPONDENT NAME: DOLPHIN PETROLEUM, LP
DOCKET NO. 2010-0193-AIR-E

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN / REQUIRED
Type of Investigation: ____ Complaint _X_ Routine ____ Enforcement Follow-up ____ Records Review **Date of Complaint**: None **Dates of Investigation**: January 6 - 22, 2010 **Date of NOE**: January 29, 2010 **Background Facts**: The EDPRP was filed on June 24, 2010. A Default Order was set for consideration at the November 3, 2010, Commission Agenda. The Default Order was remanded to the Executive Director upon receipt of the agreed order, which was signed on October 18, 2010. A revised Agreed Order was signed on February 12, 2011. **Current Compliance Status:** No outstanding technical requirements. **AIR:** Failed to submit the annual permit compliance certification ("PCC") within 30 days after the end of the certification period [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-00257, Oil and Gas General Operating Permit No. 514, Site-wide requirements (b)(2)].	**Total Assessed**: $3,175 **Total Deferred**: $0 ___ Expedited Order ___ Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid / Due to General Revenue**: $115/$3,060 Respondent paid $115 of the administrative penalty. The remaining amount of $3,060 shall be payable in 30 monthly payments of $102 each **Compliance History Classifications:** *Site/RN* - Average *Person/CN* – Average **Major Source**: _X_ Yes ___ No **Applicable Penalty Policy:** September 2002	**Ordering Provisions:** Respondent shall undertake the following technical requirements: 1. Within 30 days, implement improvements to reporting practices that address the late submittal of the PCC and that are designed to prevent recurrence of the same or similar incidents; and 2. Within 45 days, submit written certification demonstrating compliance.

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) *PCW Revision October 30, 2008*

TCEQ

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

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

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

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)		*Subtotal 1*	$2,500
ADJUSTMENTS (+/-) TO SUBTOTAL 1			
Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.			
Compliance History	27.0% Enhancement	*Subtotals 2, 3, & 7*	$675
Notes	Enhancement for one previous NOV with same or similar violations, one NOV for dissimilar violations, and one 1660-style Agreed Order.		
Culpability	No; 0.0% Enhancement	*Subtotal 4*	$0
Notes	The Respondent does not meet the culpability criteria.		
Good Faith Effort to Comply Total Adjustments		*Subtotal 5*	$0
Economic Benefit	0.0% Enhancement*	*Subtotal 6*	$0
Total EB Amounts	$42	**Capped at the Total EB $ Amount*	
Approx. Cost of Compliance	$1,000		
SUM OF SUBTOTALS 1-7		*Final Subtotal*	$3,175
OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	*Adjustment*	$0
Reduces or enhances the Final Subtotal by the indicated percentage.			
Notes			
		Final Penalty Amount	$3,175
STATUTORY LIMIT ADJUSTMENT		*Final Assessed Penalty*	$3,175
DEFERRAL	0.0% Reduction	*Adjustment*	$0
Reduces the Final Assessed Penalty by the indicted percentage. *(Enter number only; e.g. 20 for 20% reduction.)*			
Notes	Deferral not offered for non-expedited settlement.		
PAYABLE PENALTY			$3,175

Screening Date	3-Feb-2010	**Docket No.**	2010-0193-AIR-E	**PCW**
Respondent	Dolphin Petroleum, LP			*Policy Revision 2 (September 2002)*
Case ID No.	39111			*PCW Revision October 30, 2008*
Reg. Ent. Reference No.	RN100216902			
Media [Statute]	Air			
Enf. Coordinator	Gena Hawkins			

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	*Enter Number Here*	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (*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*)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (*number of judgements or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were submitted)*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%

		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 27%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

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

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

Screening Date	3-Feb-2010	**Docket No.** 2010-0193-AIR-E	**PCW**
Respondent	Dolphin Petroleum, LP		*Policy Revision 2 (September 2002)*
Case ID No.	39111		*PCW Revision October 30, 2008*
Reg. Ent. Reference No.	RN100216902		
Media [Statute]	Air		
Enf. Coordinator	Gena Hawkins		

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit No. O-00257/Oil and Gas General Operating Permit No. 514, Site-wide requirements (b)(2)

Violation Description Failed to submit the annual permit compliance certification ("PCC") within 30 days after the end of the certification period. Specifically, the PCC for the September 2, 2008 through September 1, 2009 period was submitted on January 11, 2010, which was 102 days late.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	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 — 102 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended, based on the one report.

Good Faith Efforts to Comply

0.0% Reduction — $0

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

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

Violation Subtotal $2,500

Economic Benefit (EB) for this violation

Estimated EB Amount $42

Statutory Limit Test

Violation Final Penalty Total $3,175

This violation Final Assessed Penalty (adjusted for limits) $3,175

Economic Benefit Worksheet

Respondent Dolphin Petroleum, LP
Case ID No. 39111
Reg. Ent. Reference No. RN100216902
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System	$1,000	1-Oct-2009	1-Aug-2010	0.83	$42	n/a	$42
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0

Notes for DELAYED costs: Estimated costs to improve the record keeping/reporting system. The Date Required is the date the report was due, and the Final Date is the date the improvements are expected to be completed.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/equipment				0.00	$0	$0	$0
Financial Assurance [2]				0.00	$0	$0	$0
ONE-TIME avoided costs [3]				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance $1,000

TOTAL $42

Compliance History Report

Customer/Respondent/Owner-Operator:	CN602504920	Dolphin Petroleum, LP	Classification: AVERAGE	Rating: 4.57
Regulated Entity:	RN100216902	M E OCONNOR	Classification: AVERAGE	Site Rating: 6.13

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	RG0058M
	AIR OPERATING PERMITS	PERMIT	257
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	RG0058M
	AIR NEW SOURCE PERMITS	AFS NUM	4839100026
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	RG0058M

Location: Three miles south of FM 774 on FM 2678, REFUGIO, TX, 78377
TCEQ Region: REGION 14 - CORPUS CHRISTI
Date Compliance History Prepared: February 02, 2010
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: February 02, 2005 to February 02, 2010
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Gena Hawkins Phone: 512-239-2583

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? OWNOPR Citation Oil & Gas Corp.
   OWNOPR Dolphin Petroleum, LP
4. If Yes, who was/were the prior owner(s)/operator(s)? OWNOPR Citation Oil & Gas Corp.
5. When did the change(s) in owner or operator occur? 08/31/2006 OWNOPR Citation Oil & Gas Corp.
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.

Effective Date: 10/23/2008 ADMINORDER 2008-0513-AIR-E
Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.146(1)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: FOP O-00257 OP
Description: Failure to comply with the General Operating Permit (GOP) Compliance Certification Terms

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

C. Chronic excessive emissions events.
N/A

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

1	08/11/2005	(401108)
2	02/27/2006	(457191)
3	11/01/2006	(517814)
4	02/27/2008	(618677)
5	02/27/2008	(619080)
6	07/07/2008	(685125)
7	10/16/2008	(704461)
8	01/28/2010	(789230)

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

Date: 02/28/2008 (619080) CN602504920
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter F 122.503(a)(2)
5C THSC Chapter 382 382.085(b)
FOP O-00257 OP
Description: Failure to comply with the General Opertaing Permit (GOP) Application Revisions for Changes at a Site. Specifically, the regulated entity failed to submit an application revision to Title V GOP No. O-00257 for a change in the permit identification of ownership from Citation Oil and Gas Corporation to Dolphin Petroleum.

Date: 10/16/2008 (704461) CN602504920
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(C)
5C THSC Chapter 382 382.085(b)
O-00257 OP
Description: Failure to comply with the Federal Operating Permit (FOP) Reporting Terms and Conditions for FOP O-00257. Specifically, Dolphin Petroleum failed to submit the Semi-Annual Deviation Report, for the six-month period of September 2, 2007 to March 1, 2008, within 30 days of the reporting period. The Semi-Annual Deviation Report was due to be submitted by April 1, 2008 and was not submitted until April 22, 2008.

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

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN ENFORCEMENT ACTION CONCERNING DOLPHIN PETROLEUM, LP; RN100216902	**§ § § § § § §**	**BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

AGREED ORDER

DOCKET NO. 2010-0193-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda meeting, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties (the "Agreed Order"), resolving an enforcement action regarding Dolphin Petroleum, LP ("Respondent") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and Respondent appear before the Commission and together stipulate that:

1. Respondent owns and operates an oil and gas production plant located approximately three miles south of Farm-to-Market Road 774 on Farm-to-Market Road 2678 near Refugio, Refugio County, Texas (the "Plant"). The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.

3. The Commission and Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that Respondent is subject to the Commission's jurisdiction.

4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

5. An administrative penalty in the amount of three thousand one hundred seventy-five dollars ($3,175.00) dollars is assessed by the Commission in settlement of the violations alleged in Section II. Respondent paid one hundred fifteen dollars ($115.00) of the administrative penalty. The remaining amount of three thousand sixty dollars ($3,060.00) of the administrative penalty shall be payable in thirty (30) monthly payments of one hundred two dollars ($102.00) each. The first monthly payment shall be paid within 30 days after the effective date of this Agreed Order. The subsequent payments shall be paid not later than 30 days following the due date of the previous payment. If Respondent fails to timely and satisfactorily comply with the payment requirements of this Agreed Order, including the payment schedule, the Executive Director may, at his option, accelerate the maturity of the remaining

installments, in which event the unpaid balance shall become immediately due and payable without demand or notice. In addition, Respondent's failure to meet the payment schedule of this Agreed Order constitutes the failure by Respondent to timely and satisfactorily comply with all of the terms of this Agreed Order.

6. 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.

7. The Executive Director of the TCEQ and Respondent agree on a settlement of the matters addressed in this Agreed Order, subject to the approval of the Commission.

8. 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 Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

9. 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.

10. 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

1. During a record review conducted on January 6 through January 22, 2010, a TCEQ Corpus Christi Regional Office investigator documented that Respondent violated 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-00257, Oil and Gas General Operating Permit No. 514, Site-wide requirements (b)(2), by failing to submit the annual permit compliance certification ("PCC") within 30 days after the end of the certification period. Specifically, the PCC for the September 2, 2008 through September 1, 2009 period was due on October 1, 2009, but was not submitted until January 11, 2010, which was 102 days late.

2. Respondent received notice of the violation on or about February 3, 2010.

III. DENIALS

Respondent generally denies each Allegation in Section II.

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Respondent pay an administrative penalty as set forth in Section I, Paragraph 5, above. The payment of this administrative penalty and 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 considering or requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments

shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: Dolphin Petroleum, LP, Docket No. 2010-0193-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. Respondent shall undertake the following technical requirements:

a. Within 30 days after the effective date of this Agreed Order, Respondent shall implement improvements to reporting practices that address the late submittal of the September 2, 2008 through September 1, 2009 PCC and that are designed to prevent recurrence of the same or similar incidents.

b. Within 45 days after the effective date of this Agreed Order, Respondent shall submit written certification and detailed supporting documentation, including photographs, receipts, and/or other records, to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

> "I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Respondent shall submit the written certification and copies of documentation necessary to demonstrate compliance with these Ordering Provisions to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

and

David Kennebeck, Air Section Manager
Texas Commission on Environmental Quality
Corpus Christi Regional Office
6300 Ocean Dr., Suite 1200
Corpus Christi, Texas 787412-5503

3. All relief not expressly granted in this Agreed Order is denied.

4. The provisions of this Agreed Order shall apply to and be binding upon Respondent. 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.

5. If 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, Respondent's failure to comply is not a violation of this Agreed Order. Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Respondent shall notify the Executive Director within seven days after Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. The Executive Director may grant an extension of any deadline in this 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 Respondent shall be made in writing to the Executive Director. Extensions are not effective until Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

7. This Agreed Order, issued by the Commission, shall not be admissible against 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.

8. 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.

9. Under 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand delivery of this Agreed Order to Respondent, or three days after the date on which the Commission mails notice of this Agreed Order to 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

2/17/2011
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that I am authorized to agree to the attached Agreed Order on behalf of Dolphin Petroleum, LP, 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 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;
- 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, I understand that any falsification of any compliance documents may result in criminal prosecution.

Signature – Ken Conway, President
Dolphin Petroleum, LP,

2-12-2011
Date