EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2009-1510-AIR-E **TCEQ ID:** RN100226943 **CASE NO.:** 38379

RESPONDENT NAME: Pioneer Natural Resources USA, Inc.

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 AND 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(S) OCCURRED: Fain Gas Plant, located on Marsh Road, two miles east of the intersection with Highway 287, near Masterson, Potter County

TYPE OF OPERATION: Gas processing plant

SMALL BUSINESS: ___ Yes __X__ No

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

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

COMMENTS RECEIVED: The *Texas Register* comment period expired on March 15, 2010. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Mr. James Nolan, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-6634; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495

Respondent: Mr. Eddie Burgess, Plant Foreman, Pioneer Natural Resources USA, Inc., 5205 North O'Conner Boulevard, Suite 900, Irving, Texas 75039

Mr. Henry F. Galpin, Vice President-Gas Processing, Pioneer Natural Resources USA, Inc., 5205 North O'Conner Boulevard, Suite 900, Irving, Texas 75039

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

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: __ Complaint _X_ Routine __ Enforcement Follow-up __ Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** July 21, 2009 **Date of NOV/NOE Relating to this Case:** August 25, 2009 (NOE) **Background Facts:** This was a routine investigation. **AIR** 1) Failure to record observations of flare operations including the time of day and whether or not the flare was smoking [30 TEX. ADMIN. CODE § 111.111(a)(4)(A)(ii) and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failure to comply with the manufacturer's maintenance specifications and document alarm events that were specific to the flare and the validity of the alarm [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), New Source Review Permit No. 20711/PSD-TX-798M-1 Special Condition 5. and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 3) Failure to maintain a rolling 365-day average for the daily inlet gas flow rates and total sulfur content of inlet gas. Specifically, the daily inlet gas flow rates and total sulfur content of inlet gas were monitored and recorded; however, the records were not calculated for a rolling 365-day average as required [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), New Source Review Permit No. 20711/PSD-TX-798M-1 Special Condition 12(A), and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 4) Failure to conduct monthly Leak Detection and Repair ("LDAR") on 13 pumps in volatile organic compound	**Total Assessed:** $30,516 **Total Deferred:** $6,103 _X_ Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $24,413 **Site Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Person Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Major Source:** _X_ Yes __ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant: a. During the August 31, 2005 LDAR inspection, the leaking valves were repaired and were monitored the following two months as required; b. On July 16, 2008, biennial testing was conducted on Engines C-8 and C-15; c. On July 29, 2009, documentation was provided to demonstrate that procedures have been modified to include the time of observation in the flare logs; d. On July 29, 2009, documentation was provided to demonstrate that procedures have been modified to include the manufacturer's recommended maintenance and documentation of flare alarm events; and On August 13, 2009, documentation was provided to demonstrate that daily inlet gas flow rates and total sulfur content of inlet gas are being recorded as required. **Ordering Provisions:** The Order will require the Respondent to: a. Within 30 days after the effective date of this Agreed Order, implement measures to ensure that all components required to be monitored under the LDAR program are correctly identified, monitored, maintained, repaired, and recorded; and b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a.

("VOC") service. Specifically, the Respondent did not conduct monthly LDAR on 13 pumps in light-liquid VOC service during 2007 and 2008 [30 TEX. ADMIN. CODE §§ 101.20(1), 101.20(3), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.482-2(a)(1), New Source Review Permit No. 20711/PSD-TX-798M-1 Special Condition 15(G), Federal Operating Permit No. O-3003 Special Terms and Conditions 1A, and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 5) Failure to conduct monthly monitoring of repaired valves for two successive months after a leak is detected. Specifically, the Respondent did not monitor seven valves, documented as having been repaired during the June 29, 2005 LDAR, in the July 17, 2005 monitoring report. On August 31, 2005, the seven valves were found to be leaking [30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.482-7(c)(2), Federal Operating Permit No. O-3003 Special Terms and Conditions 1A, and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 6) Failure to conduct biennial engine testing for Engines C-8 and C-15. Specifically, emissions testing was conducted on Engines C-8 and C-15 on March 29, 2004 and July 16, 2008, but not during 2006 [30 TEX. ADMIN. CODE § 106.512(2)(C)(iii) and TEX. HEALTH & SAFETY CODE § 382.085(b)].		

Additional ID No(s).: PG0035M

Penalty Calculation Worksheet (PCW)

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

TCEQ

DATES					
Assigned	31-Aug-2009				
PCW	10-Dec-2009	Screening	15-Sep-2009	EPA Due	22-May-2010

RESPONDENT/FACILITY INFORMATION

Respondent	Pioneer Natural Resources USA, Inc.		
Reg. Ent. Ref. No.	RN100226943		
Facility/Site Region	1-Amarillo	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	38379	No. of Violations	6
Docket No.	2009-1510-AIR-E	Order Type	1660
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

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* $26,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 20.0% Enhancement — *Subtotals 2, 3, & 7* $5,300

Notes: Penalty adjustment due to one previous 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* $3,375

Economic Benefit 0.0% Enhancement* — *Subtotal 6* $0

Total EB Amounts $2,140
Approx. Cost of Compliance $3,999

**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 — *Final Subtotal* $28,425

OTHER FACTORS AS JUSTICE MAY REQUIRE 7.4% — *Adjustment* $2,091

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Recommended enhancement to capture the avoided cost of compliance associated with Violations 4, 5, and 6.

Final Penalty Amount $30,516

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* $30,516

DEFERRAL 20.0% Reduction — *Adjustment* -$6,103

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $24,413

Screening Date 15-Sep-2009 **Docket No.** 2009-1510-AIR-E **PCW**

Respondent Pioneer Natural Resources USA, Inc. *Policy Revision 2 (September 2002)*

Case ID No. 38379 *PCW Revision October 30, 2008*

Reg. Ent. Reference No. RN100226943

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

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

Adjustment Percentage (Subtotal 2) 20%

>> **Repeat Violator (Subtotal 3)**

No ***Adjustment Percentage (Subtotal 3)*** 0%

>> **Compliance History Person Classification (Subtotal 7)**

Average Performer ***Adjustment Percentage (Subtotal 7)*** 0%

>> **Compliance History Summary**

Compliance History Notes

Penalty adjustment due to one previous 1660-style agreed order.

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

Screening Date 15-Sep-2009 **Docket No.** 2009-1510-AIR-E **PCW**

Respondent Pioneer Natural Resources USA, Inc. *Policy Revision 2 (September 2002)*

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Reg. Ent. Reference No. RN100226943

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 1

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 record observations of flare operations including the time of day and whether or not the flare was smoking.

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 10%

Matrix Notes: 50% of the rule requirement was not met.

Adjustment $9,000

$1,000

Violation Events

Number of Violation Events 1 | 8 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $1,000

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction $250

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

Notes: On July 29, 2009, documentation was provided to demonstrate that procedures have been modified to include the time of observation in the flare logs, and the NOE was issued August 25, 2009.

Violation Subtotal $750

Economic Benefit (EB) for this violation

Estimated EB Amount $0

Statutory Limit Test

Violation Final Penalty Total $1,020

This violation Final Assessed Penalty (adjusted for limits) $1,020

Economic Benefit Worksheet

Respondent Pioneer Natural Resources USA, Inc.
Case ID No. 38379
Reg. Ent. Reference No. RN100226943
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				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)	$150	21-Jul-2009	29-Jul-2009	0.02	$0	n/a	$0

Notes for DELAYED costs: Estimated cost for modifying the operational procedures and provide training to affected employees to ensure the time of observation is included in the flare log. The date required is the date of the investigation and the 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: $150

TOTAL: $0

Screening Date 15-Sep-2009 **Docket No.** 2009-1510-AIR-E **PCW**

Respondent Pioneer Natural Resources USA, Inc.

Policy Revision 2 (September 2002)

Case ID No. 38379

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100226943

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3) and 116.115(c), New Source Review Permit No. 20711/PSD-TX-798M-1 Special Condition 5, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with the manufacturer's maintenance specifications and document alarm events that were specific to the flare and the validity of the alarm.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential		x	

Percent 25%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment will or could be exposed to significant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 1

8 Number of violation days

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 from the date of Investigation (July 21, 2009) through the date of compliance (July 29, 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: On July 29, 2009, documentation was provided to demonstrate that procedures have been modified to include the manufacturer's recommended maintenance and documentation of flare alarm events. The NOE was issued August 25, 2009.

Violation Subtotal $1,875

Economic Benefit (EB) for this violation

Estimated EB Amount $1

Statutory Limit Test

Violation Final Penalty Total $2,550

This violation Final Assessed Penalty (adjusted for limits) $2,550

Economic Benefit Worksheet

Respondent Pioneer Natural Resources USA, Inc.
Case ID No. 38379
Reg. Ent. Reference No. RN100226943
Media Air
Violation No. 2

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				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)	$550	21-Jul-2009	29-Jul-2009	0.02	$1	n/a	$1

Notes for DELAYED costs: Estimated cost for modifying the operational procedures and provide training to affected employees to ensure the the flare is maintained in accordance with the manufacturer's recommendations and flare alarm events are documented as required. The date required is the date of the investigation and the final date is the date of compliance.

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

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: $550

TOTAL: $1

Screening Date 15-Sep-2009 **Docket No.** 2009-1510-AIR-E **PCW**

Respondent Pioneer Natural Resources USA, Inc. *Policy Revision 2 (September 2002)*

Case ID No. 38379 *PCW Revision October 30, 2008*

Reg. Ent. Reference No. RN100226943

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3) and 116.115(c), New Source Review Permit No. 20711/PSD-TX-798M-1 Special Condition 12(A), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain a rolling 365-day average for the daily inlet gas flow rates and total sulfur content of inlet gas. Specifically, the daily inlet gas flow rates and total sulfur content of inlet gas were monitored and recorded; however, the records were not calculated for a rolling 365-day average as required.

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 10%

Matrix Notes: 50% of the rule requirement was not met.

Adjustment $9,000

$1,000

Violation Events

Number of Violation Events 1 — 23 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $1,000

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction — $250

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

Notes: On August 13, 2009, documentation was provided to demonstrate that daily inlet gas flow rates and total sulfur content of inlet gas are being recorded as required and on August 25, 2009 the NOE was issued.

Violation Subtotal $750

Economic Benefit (EB) for this violation

Estimated EB Amount $1

Statutory Limit Test

Violation Final Penalty Total $1,020

This violation Final Assessed Penalty (adjusted for limits) $1,020

Economic Benefit Worksheet

Respondent Pioneer Natural Resources USA, Inc.
Case ID No. 38379
Reg. Ent. Reference No. RN100226943
Media Air
Violation No. 3

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				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)	$250	21-Jul-2009	13-Aug-2009	0.06	$1	n/a	$1

Notes for DELAYED costs: Estimated cost for modifying emissions calculations to provide rolling 365-day averages of inlet gas flow and total sulfur content of inlet gas. The date required is the date of the investigation and the 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: $250

TOTAL: $1

Screening Date 15-Sep-2009 **Docket No.** 2009-1510-AIR-E **PCW**

Respondent Pioneer Natural Resources USA, Inc. *Policy Revision 2 (September 2002)*

Case ID No. 38379 *PCW Revision October 30, 2008*

Reg. Ent. Reference No. RN100226943

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number	4
Rule Cite(s)	30 Tex. Admin. Code §§ 101.20(1), 101.20(3), 116.115(c), and 122.143(4), 40 Code of Federal Regulations § 60.482-2(a)(1), New Source Review Permit No. 20711/PSD-TX-798M-1 Special Condition 15(G), Federal Operating Permit No. O-3003 Special Terms and Conditions 1A, and Tex. Health & Safety Code § 382.085(b)
Violation Description	Failed to conduct monthly Leak Detection and Repair ("LDAR") on 13 pumps in VOC service. Specifically, the Respondent did not conduct monthly LDAR on 13 pumps in light-liquid VOC service during 2007 and 2008.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

Percent 10%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment has been exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $9,000

$1,000

Violation Events

Number of Violation Events 13 | 730 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $13,000

Thirteen single events are recommended.

Good Faith Efforts to Comply

0.0% Reduction $0

	Before NOV	NOV to EDPRP/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 $13,000

Economic Benefit (EB) for this violation

Estimated EB Amount $232

Statutory Limit Test

Violation Final Penalty Total $16,748

This violation Final Assessed Penalty (adjusted for limits) $16,748

Economic Benefit Worksheet

Respondent Pioneer Natural Resources USA, Inc.
Case ID No. 38379
Reg. Ent. Reference No. RN100226943
Media Air
Violation No. 4

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				0.00	$0	n/a	$0
Training/Sampling	$500	21-Jul-2009	21-Jan-2010	0.50	$13	n/a	$13
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	The estimated cost to improve policies and procedures to include monthly leak detection and repair. The date required is the date of investigation 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)						
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)	$187	1-Jan-2007	21-Jul-2009	3.47	$32	$187	$220
Notes for AVOIDED costs	These are actual costs avoided by not monitoring 13 components ($0.60 per component) for 24 months, beginning on the date the first LDAR should have been completed and the final date is the date of investigation.						

Approx. Cost of Compliance: $687

TOTAL: $232

Screening Date 15-Sep-2009 **Docket No.** 2009-1510-AIR-E **PCW**

Respondent Pioneer Natural Resources USA, Inc. *Policy Revision 2 (September 2002)*

Case ID No. 38379 *PCW Revision October 30, 2008*

Reg. Ent. Reference No. RN100226943

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1) and 122.143(4), 40 Code of Federal Regulations § 60.482-7(c)(2), Federal Operating Permit No. O-3003 Special Terms and Conditions 1A, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to conduct monthly monitoring of repaired valves for two successive months until a leak is not detected. Specifically, the Respondent did not monitor seven valves, documented as having been repaired during the June 29, 2005 LDAR, in the July 17, 2005 monitoring report. On August 31, 2005, the seven valves were monitored and five were found to be leaking.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

Percent 10%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment has been exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $9,000

$1,000

Violation Events

Number of Violation Events 7 — 67 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $7,000

Seven single events are recommended for the period beginning with the June 29, 2005 repair and the August 31, 2005 leak discovery and repair.

Good Faith Efforts to Comply

25.0% Reduction — $1,750

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

Notes: The leaking valves were repaired during the August 31, 2005 LDAR and were in compliance October 30, 2005.

Violation Subtotal $5,250

Economic Benefit (EB) for this violation

Estimated EB Amount $11

Statutory Limit Test

Violation Final Penalty Total $7,139

This violation Final Assessed Penalty (adjusted for limits) $7,139

Economic Benefit Worksheet

Respondent Pioneer Natural Resources USA, Inc.
Case ID No. 38379
Reg. Ent. Reference No. RN100226943
Media Air
Violation No. 5

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				0.00	$0	n/a	$0
Training/Sampling	$500	29-Jul-2005	30-Oct-2005	0.25	$6	n/a	$6
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	The estimated cost to improve policies and procedures to include leak detection of repaired components. The date required is the date of LDAR and the 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]	$4	17-Jul-2005	31-Aug-2005	1.04	$0	$4	$4
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs	These are actual costs avoided by not monitoring the 7 valves ($0.60 per component) for one month, beginning date the first LDAR should have been completed and the final date is the date LDAR was completed.						

Approx. Cost of Compliance: $504

TOTAL: $11

Screening Date 15-Sep-2009 **Docket No.** 2009-1510-AIR-E **PCW**

Respondent Pioneer Natural Resources USA, Inc. *Policy Revision 2 (September 2002)*

Case ID No. 38379 *PCW Revision October 30, 2008*

Reg. Ent. Reference No. RN100226943

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number	6
Rule Cite(s)	30 Tex. Admin. Code § 106.512(2)(C)(iii) and Tex. Health & Safety Code § 382.085(b)
Violation Description	Failed to conduct biennial engine testing for Engines C-8 and C-15. Specifically, emissions testing was conducted on Engines C-8 and C-15 on March 29, 2004 and July 16, 2008, but not during 2006.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

Percent 10%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $9,000

$1,000

Violation Events

Number of Violation Events 2 | 840 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 for the two engines that were not tested.

Good Faith Efforts to Comply

25.0% Reduction $500

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

Notes: Engine testing was completed July 16, 2008 and a testing schedule was implemented to prevent the reoccurrence of the violation.

Violation Subtotal $1,500

Economic Benefit (EB) for this violation

Estimated EB Amount $1,896

Statutory Limit Test

Violation Final Penalty Total $2,040

This violation Final Assessed Penalty (adjusted for limits) $2,040

Economic Benefit Worksheet

Respondent Pioneer Natural Resources USA, Inc.
Case ID No. 38379
Reg. Ent. Reference No. RN100226943
Media Air
Violation No. 6

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				0.00	$0	n/a	$0
Training/Sampling	$250	29-Mar-2006	16-Jul-2008	2.30	$29	n/a	$29
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0

Notes for DELAYED costs: Estimated cost for modifying the operational procedures and provide training to affected employees to ensure engines are tested biennially. The date required is the date the test was required and the final date is the date of compliance.

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

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]	$1,608	29-Mar-2006	16-Jul-2008	3.22	$259	$1,608	$1,867
Other (as needed)				0.00	$0	$0	$0

Notes for AVOIDED costs: Invoice cost for performance testing of the two engines. The date required is the date when the testing was first due on the engines and the final date is the date the testing was completed.

Approx. Cost of Compliance $1,858

TOTAL $1,896

Compliance History Report

Customer/Respondent/Owner-Operator:	CN600130447	Pioneer Natural Resources USA, Inc.	Classification: AVERAGE	Rating: 2.62
Regulated Entity:	RN100226943	FAIN GAS PLANT	Classification: AVERAGE	Site Rating: 6.43

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	PG0035M
AIR OPERATING PERMITS	PERMIT	3003
AIR OPERATING PERMITS	PERMIT	3003
AIR NEW SOURCE PERMITS	PERMIT	8893
AIR NEW SOURCE PERMITS	PERMIT	8893A
AIR NEW SOURCE PERMITS	PERMIT	14774A
AIR NEW SOURCE PERMITS	PERMIT	20711
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	PG0035M
AIR NEW SOURCE PERMITS	AFS NUM	4837500006
AIR NEW SOURCE PERMITS	PERMIT	48853
AIR NEW SOURCE PERMITS	REGISTRATION	49163
AIR NEW SOURCE PERMITS	REGISTRATION	31910
AIR NEW SOURCE PERMITS	REGISTRATION	36205
AIR NEW SOURCE PERMITS	REGISTRATION	37187
AIR NEW SOURCE PERMITS	REGISTRATION	54783
AIR NEW SOURCE PERMITS	REGISTRATION	46367
AIR NEW SOURCE PERMITS	REGISTRATION	53476
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	PG0035M

Location: On Marsh Road, two miles east of the intersection with Highway 287 near Masterson, Potter County, Texas.

TCEQ Region: REGION 01 - AMARILLO

Date Compliance History Prepared: October 19, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: September 15, 2004 to September 15, 2009

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

Name: James Nolan Phone: (512) 239-6634

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. if Yes, who was/were the prior owner(s)/operator(s) ? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2009 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: 04/10/2005 ADMINORDER 2004-1278-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Part 60, Subpart A 60.18(c)(2)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PSD-TX-789M-1, Special Condition 3(A) PERMIT
Special Condition 5 PERMIT

Description: Failure to keep flare pilot light lit at all times during venting to the flare. This is a repeat category B violation.

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	10/04/2004	(336500)
2	08/23/2005	(404118)
3	07/19/2006	(487578)
4	07/20/2007	(568202)
5	07/03/2008	(684513)
6	08/25/2009	(765236)

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	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
PIONEER NATURAL RESOURCES	§	
USA, INC.	§	
RN100226943	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2009-1510-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 Pioneer Natural Resources USA, Inc. ("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 on Marsh Road, two miles east of the intersection with Highway 287 near Masterson, Potter 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 August 30, 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 Thousand Five Hundred Sixteen Dollars ($30,516) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-Four Thousand Four Hundred Thirteen Dollars

($24,413) of the administrative penalty and Six Thousand One Hundred Three Dollars ($6,103) 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. During the August 31, 2005 Leak Detection and Repair ("LDAR") inspection, the leaking valves were repaired and were monitored the following two months as required;

   b. On July 16, 2008, biennial testing was conducted on Engines C-8 and C-15;

   c. On July 29, 2009, documentation was provided to demonstrate that procedures have been modified to include the time of observation in the flare logs;

   d. On July 29, 2009, documentation was provided to demonstrate that procedures have been modified to include the manufacturer's recommended maintenance and documentation of flare alarm events; and

   e. On August 13, 2009, documentation was provided to demonstrate that daily inlet gas flow rates and total sulfur content of inlet gas are being recorded as required.

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 record observations of flare operations including the time of day and whether or not the flare was smoking, 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 July 21, 2009.

2. Failed to comply with the manufacturer's maintenance specifications and document alarm events that were specific to the flare and the validity of the alarm, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), New Source Review Permit No. 20711/PSD-TX-798M-1 Special Condition 5, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 21, 2009.

3. Failed to maintain a rolling 365-day average for the daily inlet gas flow rates and total sulfur content of inlet gas, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), New Source Review Permit No. 20711/PSD-TX-798M-1 Special Condition 12(A), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 21, 2009. Specifically, the daily inlet gas flow rates and total sulfur content of inlet gas were monitored and recorded; however, the records were not calculated for a rolling 365-day average as required.

4. Failed to conduct monthly LDAR on 13 pumps in volatile organic compound ("VOC") service, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 101.20(3), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.482-2(a)(1), New Source Review Permit No. 20711/PSD-TX-798M-1 Special Condition 15(G), Federal Operating Permit No. O-3003 Special Terms and Conditions 1A, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 21, 2009. Specifically, the Respondent did not conduct monthly LDAR on 13 pumps in light-liquid VOC service during 2007 and 2008.

5. Failed to conduct monthly monitoring of repaired valves for two successive months after a leak is detected, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.482-7(c)(2), Federal Operating Permit No. O-3003 Special Terms and Conditions 1A, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 21, 2009. Specifically, the Respondent did not monitor seven valves, documented as having been repaired during the June 29, 2005 LDAR, in the July 17, 2005 monitoring report. On August 31, 2005, the seven valves were found to be leaking.

6. Failed to conduct biennial engine testing for Engines C-8 and C-15, in violation of 30 TEX. ADMIN. CODE § 106.512(2)(C)(iii) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 21, 2009. Specifically, emissions testing was conducted on Engines C-8 and C-15 on March 29, 2004 and July 16, 2008, but not during 2006.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

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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: Pioneer Natural Resources USA, Inc., Docket No. 2009-1510-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 30 days after the effective date of this Agreed Order, implement measures to ensure that all components required to be monitored under the LDAR program are correctly identified, monitored, maintained, repaired, and recorded, as required by New Source Review Permit No. 20711/PSD-TX-798M-1; and

   b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include 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 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 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

John Sadler
For the Executive Director

1/31/2011
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.

Henry F Galpin
Signature

1/11/10
Date

HENRY F GALPIN
Name (Printed or typed)
Authorized Representative of
Pioneer Natural Resources USA, Inc.

VP-Gas Processing
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.