

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2010-1354-AIR-E **TCEQ ID:** RN105723282; RN105148613 **CASE NO.:** 40227

RESPONDENT NAME: Apache Corporation

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

SITE WHERE VIOLATION(S) OCCURRED: Located two miles south of the intersection of Highway 152 and Farm-to-Market Road 592 (the "Sidney Plant", the "Stiles Plant" or the "Plants"), Wheeler, Wheeler County

TYPE OF OPERATION: Natural gas processing plants

SMALL BUSINESS: Yes No

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

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 28, 2011. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Mr. John Muennink, Enforcement Division, Enforcement Team 5, MC R-12, (713) 422-8970; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495

Respondent: Mr. Brad Eubanks, Central Region Production Operations Manager, Apache Corporation, 6120 South Yale Avenue, Suite 1500, Tulsa, Oklahoma 74136

Mr. Danny Huneycutt, EHS Manager, Apache Corporation, 6120 South Yale Avenue, Suite 1500, Tulsa, Oklahoma 74136

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

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: June 29, 2010</p> <p>Date of NOV/NOE Relating to this Case: July 29, 2010 (NOE)</p> <p>Background Facts: This was a records review.</p> <p>AIR</p> <p>1) Failed to maintain compliance records for the Sidney Plant. Specifically, the Respondent failed to maintain and provide maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; the annual operating hours of the emergency generator; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being stored, the monthly throughput and the cumulative annual throughput; monthly production flow rates and the total sulfur content of the gas processing vents, flares or gas streams; and records and calculations used to determine the optimum glycol circulation rate in order to ensure that the dehydration unit does not exceed the optimum glycol circulation rate [30 TEX. ADMIN. CODE §§ 101.201(b), 101.211(b), 106.511, 111.111(a)(4)(A)(ii), 116.615(8), 116.620(a)(11), (c)(3), (e)(4), (e)(6) and (e)(8), 122.143(4), 40 CODE OF FEDERAL REGULATIONS ("CFR") §§ 63.764(d)(2) and 63.774(f), TEX. HEALTH & SAFETY CODE § 382.085(b) and Federal Operating Permit ("FOP") No. O-03297, Site-wide Requirement Nos. (b)(7)(D), (b)(8)(B), (b)(8)(D),</p>	<p>Total Assessed: \$139,000</p> <p>Total Deferred: \$27,800 <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: \$111,200</p> <p>Compliance History Classifications: RN105723282 Person/CN - Average Site/RN - Average</p> <p>RN105148613 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>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Implement measures and procedures in order to ensure compliance with record keeping requirements at the Sidney Plant. Specifically, maintain records of maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; the annual operating hours of the emergency generator; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being stored, the monthly throughput and the cumulative annual throughput; monthly production flow rates and the total sulfur content of the gas processing vents, flares or gas streams; and records and calculations used to determine the optimum glycol circulation rate in order to ensure that the dehydration unit does not exceed the optimum glycol circulation rate;</p> <p>ii. Implement measures and procedures in order to ensure compliance with record keeping requirements at the Stiles Plant. Specifically, maintain records of maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being stored, the monthly throughput and the cumulative annual throughput; monthly production flow rates and the total sulfur content of the gas processing vents, flares or gas</p>

<p>(b)(27)(F) and (b)(27)(G)].</p> <p>2) Failed to route volatile organic compound ("VOC") emissions to a control device at the Sidney Plant. Specifically, VOC emissions from the glycol dehydrator unit exceed 10 tons per year ("tpy"); therefore, the VOC emissions are required to be routed to a control device. Approximately 24.79 tpy of VOC emissions are being emitted to the atmosphere without a control device since the permit was issued on May 19, 2009 [30 TEX. ADMIN. CODE § 116.620(a)(5) and (b)(2) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>3) Failed notify the Executive Director of an increase in the discharge of the VOC emissions from the glycol dehydrator unit at the Sidney Plant. Specifically, the Respondent represented an operating capacity of 6.19 tpy in the standard permit application, and the glycol dehydrator unit is operating at approximately four times the capacity represented in the standard permit application [30 TEX. ADMIN. CODE § 116.615(2), TEX. HEALTH & SAFETY CODE § 382.085(b) and Standard Permit Registration No. 88166, Maximum Allowable Emissions Rates Table].</p> <p>4) Failed to provide notification of the initial construction and start-up activities of the Sidney Plant to the TCEQ Amarillo Regional Office and the Environmental Protection Agency prior to the commencement of such activities. Specifically, the Respondent failed to submit notification of the initial construction and start-up; documentation of the source's location; calculations of the optimum glycol circulation rate; the name of the manufacturer and model number of the glycol circulation pump or pumps; and a statement by a responsible official certifying that the Sidney Plant will always operate the glycol dehydration unit using the optimum circulation rate [30 TEX. ADMIN. CODE § 116.615(4) and (5), 40 CFR § 63.775(c)(1) and (c)(7) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>5) Failed to implement a Compliance Assurance Monitoring ("CAM") and a Periodic Monitoring ("PM") program at the Sidney Plant. Specifically, the Respondent did not implement a CAM and PM program as required by the FOP [30 TEX. ADMIN. CODE</p>		<p>streams; and records indicating that quarterly observations of stationary vents were being conducted;</p> <p>iii. Begin routing VOC emissions from the glycol dehydration unit to a control device at the Sidney Plant;</p> <p>iv. Notify the Executive Director of the increase in the VOC emissions from the glycol dehydrator unit at the Sidney Plant or apply for the proper authorization to operate the glycol dehydration unit;</p> <p>v. Implement measures and procedures to ensure the proper submittal of notifications for start-up and maintenance activities at the Plants;</p> <p>vi. Implement a CAM and PM program at the Plants; and</p> <p>vii. Implement measures and procedures designed to ensure the proper submittal of deviation reports at the Plants;</p> <p>b. If proper authorization is being obtained for the glycol dehydrator unit at the Sidney Plant, respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application within 30 days after the date of such requests, or by any other deadline specified in writing;</p> <p>c. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision a.i. through a.vii.; and</p> <p>d. If applicable, within 180 days after the effective date of this Agreed Order, submit written certification to demonstrate that proper authorization has been obtained for the glycol dehydrator unit at the Sidney Plant or that operation has ceased until such time that appropriate authorization is obtained.</p>
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§ 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b) and FOP No. O-03297, Site-wide Requirement Nos. (b)(28) and (b)(29)].

6) Failed to submit a semi-annual deviation report for the period of September 2, 2009 through March 1, 2010 for the Sidney Plant [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(B), TEX. HEALTH & SAFETY CODE § 382.085(b) and FOP No. O-03297, Site-wide Requirement No. (b)(2)].

7) Failed to maintain compliance records for the Stiles Plant. Specifically, the Respondent failed to maintain and provide maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being stored, the monthly throughput and the cumulative annual throughput; monthly production flow rates and the total sulfur content of the gas processing vents, flares or gas streams; and records indicating that quarterly observations of stationary vents were being conducted [30 TEX. ADMIN. CODE §§ 101.201(b), 101.211(b), 122.143(4), 111.111(a)(4)(A)(ii), 116.615(8), 116.620(a)(11), (c)(3), (e)(4), (e)(6) and (e)(8), TEX. HEALTH & SAFETY CODE § 382.085(b) and FOP No. O-02964, Site-wide Requirement Nos. (b)(8)(B), (b)(8)(D), (b)(27)(F) and (b)(27)(G)].

8) Failed to provide notification of the initial construction and start-up activities for the Stiles Plant to the Amarillo Regional Office prior to the commencement of such activities [30 TEX. ADMIN. CODE § 116.615(4) and (5) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

9) Failed to include all instances of deviations at the Stiles Plant in the deviation reports for each six month period after FOP No. O-02964 was issued on October 3, 2007 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b) and FOP No. O-02964, Site-wide Requirement No. (b)(2)].

RESPONDENT NAME: Apache Corporation
DOCKET NO.: 2010-1354-AIR-E

<p>10) Failed to implement a CAM and a PM program at the Stiles Plant. Specifically, the Respondent did not implement a CAM and PM program as required by the FOP [30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b) and FOP No. O-02964, Site-wide Requirement Nos. (b)(28) and (b)(29)].</p>		
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Additional ID No(s): Air Account WGA020T; Air Account WGA006F



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

DATES	Assigned	1-Aug-2010	Screening	23-Aug-2010	EPA Due	
	PCW	19-Aug-2010				

RESPONDENT/FACILITY INFORMATION	
Respondent	Apache Corporation (Sidney Plant)
Reg. Ent. Ref. No.	RN105723282
Facility/Site Region	1-Amarillo
Major/Minor Source	Major

CASE INFORMATION		No. of Violations	6	
Enf./Case ID No.	40227	Order Type	1660	
Docket No.	2010-1354-AIR-E	Government/Non-Profit	No	
Media Program(s)	Air	Enf. Coordinator	John Muennink	
Multi-Media		EC's Team	Enforcement Team 5	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$107,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **0.0%** Enhancement **Subtotals 2, 3, & 7** **\$0**

Notes: No adjustment for compliance history.

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 \$1,075
Approx. Cost of Compliance \$13,950
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$107,000**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$107,000**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$107,000**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$21,400**

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **\$85,600**

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Sidney Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105723282

Media [Statute] Air

Enf. Coordinator John Muennink

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 (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	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 (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

No adjustment for compliance history.

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

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Sidney Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105723282

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 1

Rule Cite(s) 30 Tex. Adm'n. Code §§ 101.201(b), 101.211(b), 106.511, 111.111(a)(4)(A)(ii), 116.615(8), 116.620(a)(11), (c)(3), (e)(4), (e)(6) and (e)(8), 122.143(4), 40 Code of Federal Regulations ("CFR") §§ 63.764(d)(2) and 63.774(f), Tex. Health & Safety Code § 382.085(b) and Federal Operating Permit ("FOP") No. O-03297, Site-wide Requirement Nos. (b)(7)(D), (b)(8)(B), (b)(8)(D), (b)(27)(F) and (b)(27)(G)

Violation Description

Failed to maintain compliance records for the Sidney Plant. Specifically, the Respondent failed to maintain and provide maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; the annual operating hours of the emergency generator; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being stored, the monthly throughput and the cumulative annual throughput; monthly production flow rates and the total sulfur content of the gas processing vents, flares or gas streams; and records and calculations used to determine the optimum glycol circulation rate in order to ensure that the dehydration unit does not exceed the optimum glycol circulation rate.

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

The Respondent failed to meet 100% of the rule requirement.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events	7
daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

355 Number of violation days

mark only one with an x

Violation Base Penalty \$17,500

Seven single events are recommended based on the seven sets of records that were not being maintained.

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 \$17,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$75

Violation Final Penalty Total \$17,500

This violation Final Assessed Penalty (adjusted for limits) \$17,500

Economic Benefit Worksheet

Respondent Apache Corporation (Sidney Plant)

Case ID No. 40227

Req. Ent. Reference No. RN105723282

Media Air

Violation No. 1

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	\$1,000	2-Sep-2009	28-Feb-2011	1.49	\$75	n/a	\$75
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 expense to implement measures and procedures in order to ensure compliance with record keeping requirements. The Date Required is the date that the permit was issued and when records should have started being kept. The Final Date is the date that corrective measures are estimated 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

\$75

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Sidney Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105723282

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.620(a)(5) and (b)(2) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to route volatile organic compound ("VOC") emissions to a control device at the Sidney Plant. Specifically, VOC emissions from the glycol dehydrator unit exceeded the 10 tons per year limit ("tpy"); therefore, the VOC emissions are required to be routed to a control device. Approximately 24.79 tpy of VOC emissions are being emitted to the atmosphere without a control device since the permit was issued on May 19, 2009.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		X		50%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to a significant amount of pollutants that do not exceed levels protective of human health or environmental receptors.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 16 Number of violation days 355

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

Violation Base Penalty \$80,000

Sixteen monthly events are recommended based on the date that the permit was issued on May 19, 2009 to the screening date of August 23, 2010.

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 \$80,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$623

Violation Final Penalty Total \$80,000

This violation Final Assessed Penalty (adjusted for limits) \$80,000

Economic Benefit Worksheet

Respondent Apache Corporation (Sidney Plant)
Case ID No. 40227
Req. Ent. Reference No. RN105723282
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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction	\$5,000	19-May-2009	28-Feb-2011	1.78	\$30	\$594	\$623
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense for additional engineering or procedures in order to route VOC emissions to a control device. The Date Required is the date that the standard permit was issued. The Final Date is the date that corrective measures are estimated to be completed.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$623

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Sidney Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105723282

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 116.615(2), Tex. Health & Safety Code § 382.085(b) and Standard Permit Registration No. 88166, Maximum Allowable Emissions Rates Table

Violation Description

Failed to notify the Executive Director of an increase in the discharge of the VOC emissions from the glycol dehydrator unit at the Sidney Plant. Specifically, the Respondent represented an operating capacity of 6.19 tpy in the standard permit application, and the glycol dehydrator unit is operating at approximately four times the capacity represented in the standard permit application.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
	x			25%

Matrix Notes

The Respondent failed to meet 100% of the rule requirement.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 355 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 notification not received.

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 \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$18

Violation Final Penalty Total \$2,500

This violation Final Assessed Penalty (adjusted for limits) \$2,500

Economic Benefit Worksheet

Respondent Apache Corporation (Sidney Plant)
Case ID No. 40227
Req. Ent. Reference No. RN105723282
Media Air
Violation No. 3

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**

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment	0.00			0.00	\$0	\$0	\$0
Buildings	0.00			0.00	\$0	\$0	\$0
Other (as needed)	0.00			0.00	\$0	\$0	\$0
Engineering/construction	0.00			0.00	\$0	\$0	\$0
Land	0.00			0.00	\$0	n/a	\$0
Record Keeping System	0.00			0.00	\$0	n/a	\$0
Training/Sampling	0.00			0.00	\$0	n/a	\$0
Remediation/Disposal	0.00			0.00	\$0	n/a	\$0
Permit Costs	\$200	19-May-2009	28-Feb-2011	1.78	\$18	n/a	\$18
Other (as needed)	0.00			0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to notify the Executive Director of the increase in the VOC emissions from the glycol dehydrator unit. The Date Required is the date that the standard permit was issued. The Final Date is the date that corrective measures are estimated to be completed.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal	0.00			0.00	\$0	\$0	\$0
Personnel	0.00			0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling	0.00			0.00	\$0	\$0	\$0
Supplies/equipment	0.00			0.00	\$0	\$0	\$0
Financial Assurance [2]	0.00			0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	0.00			0.00	\$0	\$0	\$0
Other (as needed)	0.00			0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$200

TOTAL

\$18

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Sidney Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105723282

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number

4

Rule Cite(s)

30 Tex. Admin. Code § 116.615(4) and (5), 40 CFR § 63.775(c)(1) and (c)(7) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to provide notification of the initial construction and start-up activities of the Sidney Plant to the Texas Commission on Environmental Quality Amarillo Regional Office and the Environmental Protection Agency prior to the commencement of such activities. Specifically, the Respondent failed to submit notification of the initial construction and start-up; documentation of the source's location; calculations of the optimum glycol circulation rate; the name of the manufacturer and model number of the glycol circulation pump or pumps; and a statement by a responsible official certifying that the plant will always operate the glycol dehydration unit using the optimum circulation rate.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes

The Respondent failed to meet 100% of the rule requirement.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$2,500

One single event is recommended based on the initial notification that was not submitted.

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 \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$42

Violation Final Penalty Total \$2,500

This violation Final Assessed Penalty (adjusted for limits) \$2,500

Economic Benefit Worksheet

Respondent Apache Corporation (Sidney Plant)
Case ID No. 40227
Req. Ent. Reference No. RN105723282
Media Air
Violation No. 4

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	\$1,000	29-Jun-2010	28-Feb-2011	0.67	\$33	n/a	\$33
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	29-Jun-2010	28-Feb-2011	0.67	\$8	n/a	\$8

Notes for DELAYED costs

Estimated expense to implement measures and procedures to ensure the proper submittal of notifications for start-up and maintenance activities and to submit a notification of the date of initial construction and start-up of the Plant. The Date Required is the date of the investigation. The Final Date is the date that corrective measures are estimated 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	\$1,250	TOTAL	\$42
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Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Sidney Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105723282

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Tex. Health & Safety Code § 382.085(b) and FOP No. O-03297, Site-wide Requirement Nos. (b)(28) and (b)(29)

Violation Description Failed to implement a Compliance Assurance Monitoring ("CAM") and a Periodic Monitoring ("PM") program at the Sidney Plant. Specifically, the Respondent did not implement a CAM and PM program as required by the FOP.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual					10%
Potential			x		

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
				0%

Matrix Notes Human health or the environment could be exposed to an Insignificant amount of pollutants that would not exceed levels protective of human health or environmental receptors.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 2 175 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 two monitoring programs.

Good Faith Efforts to Comply

0.0% Reduction \$0

	Reduction	
	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 \$2,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$249

Violation Final Penalty Total \$2,000

This violation Final Assessed Penalty (adjusted for limits) \$2,000

Economic Benefit Worksheet

Respondent Apache Corporation (Sidney Plant)
Case ID No. 40227
Req. Ent. Reference No. RN105723282
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)	\$5,000	1-Mar-2010	28-Feb-2011	1.00	\$249	n/a	\$249

Notes for DELAYED costs

Estimated expense to implement a CAM and PM program. The Date Required is the date that the programs should have been implemented. The Final Date is the date that corrective measures are estimated 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

\$5,000

TOTAL

\$249

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Sidney Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105723282

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(B), Tex. Health & Safety Code § 382.085(b) and FOP No. O-03297, Site-wide Requirement No. (b)(2)

Violation Description

Failed to submit a semi-annual deviation report for the period of September 2, 2009 through March 1, 2010 for the Sidney Plant.

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

The Respondent failed to meet 100% of the rule requirement.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

144 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$2,500

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

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 \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$68

Violation Final Penalty Total \$2,500

This violation Final Assessed Penalty (adjusted for limits) \$2,500

Economic Benefit Worksheet

Respondent Apache Corporation (Sidney Plant)
Case ID No. 40227
Req. Ent. Reference No. RN105723282
Media Air
Violation No. 6

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**

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	\$1,000	1-Apr-2010	28-Feb-2011	0.91	\$46	n/a	\$46
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	1-Apr-2010	28-Feb-2011	0.91	\$23	n/a	\$23

Notes for DELAYED costs

Estimated expense to submit a deviation report for the period of September 2, 2009 through March 1, 2010 and to implement measures to ensure the proper reporting of deviation reports. The Date Required was the due date of the deviation report. The Final Date is the date that corrective measures are estimated 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

\$1,500

TOTAL

\$68

Compliance History Report

Customer/Respondent/Owner-Operator:	CN600126361 Apache Corporation	Classification: AVERAGE	Rating: 2.96
Regulated Entity:	RN105723282 SIDNEY 3-5 PRODUCTION FACILITY	Classification: AVERAGE BY DEFAULT	Site Rating: 3.01

ID Number(s):	AIR OPERATING PERMITS	PERMIT	3297
	AIR NEW SOURCE PERMITS	REGISTRATION	88166
	AIR NEW SOURCE PERMITS	AFS NUM	4848300272
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	WGA020T
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	WGA020T

Location: TWO MILES SOUTH OF THE INTERSECTION OF HIGHWAY 152
AND FARM-TO-MARKET ROAD 592 IN WHEELER, TEXAS

TCEQ Region: REGION 01 - AMARILLO

Date Compliance History Prepared: August 04, 2010

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 04, 2005 to August 04, 2010

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

Name: John Muennink Phone: (361) 825-3100

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

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 07/27/2010 (801786)
 - 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

N/A

Sites Outside of Texas

N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

DATES	Assigned	1-Aug-2010	Screening	23-Aug-2010	EPA Due	
	PCW	11-Aug-2010				

RESPONDENT/FACILITY INFORMATION	
Respondent	Apache Corporation (Stiles Plant)
Reg. Ent. Ref. No.	RN105148613
Facility/Site Region	1-Amarillo
Major/Minor Source	Major

CASE INFORMATION		No. of Violations	4
Enf./Case ID No.	40227	Order Type	1660
Docket No.	2010-1354-AIR-E	Government/Non-Profit	No
Media Program(s)	Air	Enf. Coordinator	John Muennink
Multi-Media		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1**

ADJUSTMENTS (+/-) TO SUBTOTAL 1
Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.
Compliance History Enhancement **Subtotals 2, 3, & 7**

Notes

Culpability Enhancement **Subtotal 4**

Notes

Good Faith Effort to Comply Total Adjustments **Subtotal 5**

Economic Benefit Enhancement* **Subtotal 6**
Total EB Amounts
Approx. Cost of Compliance
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal**

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**
Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

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

Notes

PAYABLE PENALTY

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Stiles Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator John Muennink

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 (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	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 (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

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

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Stiles Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.201(b), 101.211(b), 122.143(4), 111.111(a)(4)(A)(II), 116.615(8), 116.620(a)(11), (c)(3), (e)(4), (e)(6) and (e)(8), Tex. Health & Safety Code § 382.085(b) and Federal Operating Permit ("FOP") No. O-02964, Site-wide Requirement Nos. (b)(8)(B), (b)(8)(D), (b)(27)(F) and (b)(27)(G)

Violation Description

Failed to maintain compliance records for the Stiles Plant. Specifically, the Respondent failed to maintain and provide maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being stored, the monthly throughput and the cumulative annual throughput; monthly production flow rates and the total sulfur content of the gas processing vents, flares or gas streams; and records indicating that quarterly observations of stationary vents were being conducted.

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

The Respondent failed to meet 100% of the rule requirement.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 6 Number of violation days 1055

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

Violation Base Penalty \$15,000

Six single events are recommended based on the six sets of records that were not being maintained.

Good Faith Efforts to Comply

0.0% Reduction \$0

	Reduction	
	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 \$15,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$170

Violation Final Penalty Total \$15,000

This violation Final Assessed Penalty (adjusted for limits) \$15,000

Economic Benefit Worksheet

Respondent Apache Corporation (Stiles Plant)
Case ID No. 40227
Req. Ent. Reference No. RN105148613
Media Air
Violation No. 1

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	\$1,000	3-Oct-2007	28-Feb-2011	3.41	\$170	\$170
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 expense to implement measures and procedures in order to ensure compliance with record keeping requirements. The Date Required is the date when the permit was issued and when records should have been kept. The Final Date is the date that corrective measures are estimated 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

\$170

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Stiles Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.615(4) and (5) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to provide notification of the initial construction and start-up activities for the Stiles Plant to the Amarillo Regional Office prior to the commencement of such activities.

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

The Respondent failed to meet 100% of the rule requirement.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 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 Initial notification that was not submitted.

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 \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$42

Violation Final Penalty Total \$2,500

This Violation Final Assessed Penalty (adjusted for limits) \$2,500

Economic Benefit Worksheet

Respondent Apache Corporation (Stiles Plant)
Case ID No. 40227
Req. Ent. Reference No. RN105148613
Media Air
Violation No. 2

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	\$1,000	29-Jun-2010	28-Feb-2011	0.67	\$33	n/a	\$33
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	29-Jun-2010	28-Feb-2011	0.67	\$8	n/a	\$8

Notes for DELAYED costs

Estimated expense to implement measures and procedures to ensure the proper submittal of notifications for start-up and maintenance activities and to submit a notification of the date of Initial construction and start-up of the Plant. The Date Required is the date of the investigation. The Final Date is the date that corrective measures are estimated 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

\$1,250

TOTAL

\$42

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Stiles Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b) and FOP No. O-02964, Site-wide Requirement No. (b)(2)

Violation Description Failed to include all instances of deviations at the Stiles Plant in the deviation reports for each six month period after FOP No. O-02964 was issued on October 3, 2007.

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

The Respondent failed to meet 100% of the rule requirement.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 5

842 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$12,500

Five single events are recommended for submitting five incomplete semi-annual deviation reports.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Reduction	
	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 \$12,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$494

Violation Final Penalty Total \$12,500

This violation Final Assessed Penalty (adjusted for limits) \$12,500

Economic Benefit Worksheet

Respondent Apache Corporation (Stiles Plant)
Case ID No. 40227
Req. Ent. Reference No. RN105148613
Media Air
Violation No. 3

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$1,000	3-May-2008	28-Feb-2011	2.82	\$141	n/a	\$141
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$2,500	3-May-2008	28-Feb-2011	2.82	\$353	n/a	\$353

Notes for DELAYED costs

Estimated expense to include all instances of deviations for each six-month period after FOP O-02964 was issued on October 3, 2007 and to implement measures to ensure the proper reporting of deviation reports. The Date Required was the due date of the first deviation report. The Final Date is the date that corrective measures are estimated to be completed.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$3,500

TOTAL

\$494

Screening Date 23-Aug-2010

Docket No. 2010-1354-AIR-E

PCW

Respondent Apache Corporation (Stiles Plant)

Policy Revision 2 (September 2002)

Case ID No. 40227

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Tex. Health & Safety Code § 382.085(b) and FOP No. O-02964, Site-wide Requirement Nos. (b)(28) and (b)(29)

Violation Description Failed to implement a Compliance Assurance Monitoring ("CAM") and a Periodic Monitoring ("PM") program at the Stiles Plant. Specifically, the Respondent did not implement a CAM and PM program as required by the FOP.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential			X	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes Human health or the environment could be exposed to an insignificant amount of pollutants that would not exceed levels protective of human health or environmental receptors.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 2 875 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$2,000

Two single events are recommended based on the two monitoring programs.

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 \$2,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$729

Violation Final Penalty Total \$2,000

This violation Final Assessed Penalty (adjusted for limits) \$2,000

Economic Benefit Worksheet

Respondent Apache Corporation (Stiles Plant)
Case ID No. 40227
Req. Ent. Reference No. RN105148613
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)	\$5,000	31-Mar-2008	28-Feb-2011	2.92	\$729	\$729

Notes for DELAYED costs
 Estimated expense to implement a CAM and PM program. The Date Required is the date that the programs should have been implemented. The Final Date is the date that corrective measures are estimated 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 \$5,000

TOTAL \$729

Compliance History Report

Customer/Respondent/Owner-Operator: CN600126361 Apache Corporation Classification: AVERAGE Rating: 2.96
Regulated Entity: RN105148613 STILES 1-4-1 PRODUCTION FACILITY Classification: HIGH Site Rating: 0.00

ID Number(s): AIR NEW SOURCE PERMITS REGISTRATION 80887
AIR NEW SOURCE PERMITS REGISTRATION 81348
AIR NEW SOURCE PERMITS AFS NUM 4848300258
AIR NEW SOURCE PERMITS ACCOUNT NUMBER WGA006F
AIR OPERATING PERMITS PERMIT 2964
AIR EMISSIONS INVENTORY ACCOUNT NUMBER WGA006F

Location: TWO MILES SOUTH OF THE INTERSECTION OF HIGHWAY 152
AND FARM-TO-MARKET ROAD 592 IN WHEELER, TEXAS

TCEQ Region: REGION 01 - AMARILLO

Date Compliance History Prepared: August 04, 2010

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 04, 2005 to August 04, 2010

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

Name: John Muennink Phone: (361) 825-3100

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

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 07/06/2009 (759442)
2 07/29/2010 (801783)
- 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
APACHE CORPORATION
RN105723282
RN105148613

§ BEFORE THE
§ TEXAS COMMISSION ON
§ ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2010-1354-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 the Apache Corporation ("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 two natural gas processing plants two miles south of the intersection of Highway 152 and Farm-to-Market Road 592 in Wheeler, Wheeler County, Texas (the "Sidney Plant", the "Stiles Plant" or the "Plants").
2. The Respondent 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 1 and 3, 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 One Hundred Thirty-Nine Thousand Dollars (\$139,000) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Hundred Eleven Thousand Two Hundred Dollars (\$111,200) of the administrative penalty and Twenty-Seven Thousand Eight Hundred Dollars (\$27,800) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plants, the Respondent is alleged to have:

1. Failed to maintain compliance records for the Sidney Plant, in violation of 30 TEX. ADMIN. CODE §§ 101.201(b), 101.211(b), 106.511, 111.111(a)(4)(A)(ii), 116.615(8), 116.620(a)(11), (c)(3), (e)(4), (e)(6) and (e)(8), 122.143(4), 40 CODE OF FEDERAL REGULATIONS ("CFR") §§ 63.764(d)(2) and 63.774(f), TEX. HEALTH & SAFETY CODE § 382.085(b) and Federal Operating Permit ("FOP") No. O-03297, Site-wide Requirement Nos. (b)(7)(D), (b)(8)(B), (b)(8)(D), (b)(27)(F) and (b)(27)(G), as documented during a record review conducted on June 29, 2010. Specifically, the Respondent failed to maintain and provide maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; the annual operating hours of the emergency generator; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being stored, the monthly throughput and the cumulative annual throughput; monthly production flow rates and the total sulfur content of the gas processing vents, flares or gas streams; and records and calculations

used to determine the optimum glycol circulation rate in order to ensure that the dehydration unit does not exceed the optimum glycol circulation rate.

2. Failed to route volatile organic compound ("VOC") emissions to a control device at the Sidney Plant, in violation of 30 TEX. ADMIN. CODE § 116.620(a)(5) and (b)(2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on June 29, 2010. Specifically, VOC emissions from the glycol dehydrator unit exceed 10 tons per year ("tpy"); therefore, the VOC emissions are required to be routed to a control device. Approximately 24.79 tpy of VOC emissions are being emitted to the atmosphere without a control device since the permit was issued on May 19, 2009.
3. Failed to notify the Executive Director of an increase in the discharge of the VOC emissions from the glycol dehydrator unit at the Sidney Plant, in violation of 30 TEX. ADMIN. CODE § 116.615(2), TEX. HEALTH & SAFETY CODE § 382.085(b) and Standard Permit Registration No. 88166, Maximum Allowable Emissions Rates Table, as documented during a record review conducted on June 29, 2010. Specifically, the Respondent represented an operating capacity of 6.19 tpy in the standard permit application, and the glycol dehydrator unit is operating at approximately four times the capacity represented in the standard permit application.
4. Failed to provide notification of the initial construction and start-up activities of the Sidney Plant to the TCEQ Amarillo Regional Office and the Environmental Protection Agency prior to the commencement of such activities, in violation of 30 TEX. ADMIN. CODE § 116.615(4) and (5), 40 CFR § 63.775(c)(1) and (c)(7) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on June 29, 2010. Specifically, the Respondent failed to submit notification of the initial construction and start-up; documentation of the source's location; calculations of the optimum glycol circulation rate; the name of the manufacturer and model number of the glycol circulation pump or pumps; and a statement by a responsible official certifying that the Sidney Plant will always operate the glycol dehydration unit using the optimum circulation rate.
5. Failed to implement a Compliance Assurance Monitoring ("CAM") and a Periodic Monitoring ("PM") program at the Sidney Plant, in violation of 30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b) and FOP No. O-03297, Site-wide Requirement Nos. (b)(28) and (b)(29), as documented during a record review conducted on June 29, 2010. Specifically, the Respondent did not implement a CAM and PM program as required by the FOP.
6. Failed to submit a semi-annual deviation report for the period of September 2, 2009 through March 1, 2010 for the Sidney Plant, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(B), TEX. HEALTH & SAFETY CODE § 382.085(b) and FOP No. O-03297, Site-wide Requirement No. (b)(2), as documented during a record review conducted on June 29, 2010.
7. Failed to maintain compliance records for the Stiles Plant, in violation of 30 TEX. ADMIN. CODE §§ 101.201(b), 101.211(b), 122.143(4), 111.111(a)(4)(A)(ii), 116.615(8), 116.620(a)(11), (c)(3), (e)(4), (e)(6) and (e)(8), TEX. HEALTH & SAFETY CODE § 382.085(b) and FOP No. O-02964, Site-wide Requirement Nos. (b)(8)(B), (b)(8)(D), (b)(27)(F) and (b)(27)(G), as documented during a record review conducted on June 29, 2010.

Specifically, the Respondent failed to maintain and provide maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being stored, the monthly throughput and the cumulative annual throughput; monthly production flow rates and the total sulfur content of the gas processing vents, flares or gas streams; and records indicating that quarterly observations of stationary vents were being conducted.

8. Failed to provide notification of the initial construction and start-up activities for the Stiles Plant to the Amarillo Regional Office prior to the commencement of such activities, in violation of 30 TEX. ADMIN. CODE § 116.615(4) and (5) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on June 29, 2010.
9. Failed to include all instances of deviations at the Stiles Plant in the deviation reports for each six month period after FOP No. O-02964 was issued on October 3, 2007, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b) and FOP No. O-02964, Site-wide Requirement No. (b)(2), as documented during a record review conducted on June 29, 2010.
10. Failed to implement a CAM and a PM program at the Stiles Plant, in violation of 30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b) and FOP No. O-02964, Site-wide Requirement Nos. (b)(28) and (b)(29), as documented during a record review conducted on June 29, 2010. Specifically, the Respondent did not implement a CAM and PM program as required by the FOP.

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: Apache Corporation, Docket No. 2010-1354-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:
 - i. Implement measures and procedures in order to ensure compliance with record keeping requirements at the Sidney Plant, in accordance with 30 TEX. ADMIN. CODE §§ 116.615(8) and 116.620(e)(8). Specifically, maintain records of maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; the annual operating hours of the emergency generator; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being stored, the monthly throughput and the cumulative annual throughput; monthly production flow rates and the total sulfur content of the gas processing vents, flares or gas streams; and records and calculations used to determine the optimum glycol circulation rate in order to ensure that the dehydration unit does not exceed the optimum glycol circulation rate;
 - ii. Implement measures and procedures in order to ensure compliance with record keeping requirements at the Stiles Plant, in accordance with 30 TEX. ADMIN. CODE §§ 116.615(8) and 116.620(e)(8). Specifically, maintain records of maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being stored, the monthly throughput and the cumulative annual throughput; monthly production flow rates and the total sulfur content of the gas processing vents, flares or gas streams; and records indicating that quarterly observations of stationary vents were being conducted;
 - iii. Begin routing VOC emissions from the glycol dehydration unit to a control device at the Sidney Plant, in accordance with 30 TEX. ADMIN. CODE § 116.620(a)(5) and (b)(2);
 - iv. Notify the Executive Director of the increase in the VOC emissions from the glycol dehydrator unit at the Sidney Plant, in accordance with 30 TEX. ADMIN. CODE § 116.615(2) or apply for the proper authorization to operate the glycol dehydration unit, in accordance with 30 TEX. ADMIN. CODE § 116.110;
 - v. Implement measures and procedures to ensure the proper submittal of notifications for start-up and maintenance activities at the Plants, in accordance with 30 TEX. ADMIN. CODE § 116.615(4) and (5) and 40 CFR § 63.775(c)(1) and (c)(7);

- vi. Implement a CAM and PM program at the Plants, in accordance with FOP Nos. O-02964 and O-03297, Site-wide Requirement Nos. (b)(28) and (b)(29); and
 - vii. Implement measures and procedures designed to ensure the proper submittal of deviation reports at the Plants, in accordance with 30 TEX. ADMIN. CODE § 122.145(2)(A) and (2)(B);
- b. If proper authorization is being obtained for the glycol dehydrator unit at the Sidney Plant, respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application within 30 days after the date of such requests, or by any other deadline specified in writing;
 - c. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision Nos. 2.a.i. through 2.a.vii., as described in Ordering Provision No. 2.d.; and
 - d. If applicable, within 180 days after the effective date of this Agreed Order, submit written certification to demonstrate that proper authorization has been obtained for the glycol dehydrator unit at the Sidney Plant or that operation has ceased until such time that appropriate authorization is obtained.

The certification shall be notarized by a Notary Public and contain the following 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 Plants' 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 Szelen
For the Executive Director

3/28/2011
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.

Brad Eubank
Signature

12-1-2010
Date

Brad Eubank S
Name (Printed or typed)
Authorized Representative of
Apache Corporation

Central Region
Production Operations Manager
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.