

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2010-2014-AIR-E **TCEQ ID:** RN102176377 **CASE NO.:** 40828
RESPONDENT NAME: Regency Field Services LLC

ORDER TYPE:		
<input checked="" type="checkbox"/> 166o AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Eustace Gas Plant, 16401 County Road 2854, Eustace, Henderson County</p> <p>TYPE OF OPERATION: Natural gas refining plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is one additional pending enforcement action regarding this facility location, Docket No. 2011-2015-AIR-E.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on April 25, 2011. No comments were received.</p> <p>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. Will Yenke, Environmental Manager, Regency Field Services LLC, 16401 County Road 2854, Eustace, Texas 75124 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:		
VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: October 25, 2010</p> <p>Date of NOV/NOE Relating to this Case: November 18, 2010 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failed to submit an application for renewal at least six months prior to expiration of a permit and continued to operate the Plant without authorization after the permit expired. Specifically, the Respondent failed to renew Federal Operating Permit No. O-0863 before the permit expiration date of June 22, 2010 and continued to operate the emissions sources at the Plant [30 TEX. ADMIN. CODE §§ 122.121, 122.133(2), and 122.241(b), and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b)].</p> <p>2) Failed to submit the semi-annual New Source Performance Standard ("NSPS") Subpart KKK volatile organic compound ("VOC") leak monitoring reports no later than 30 days after the end of the reporting period. Specifically, the report for the reporting period of October 1, 2009 through March 31, 2010 was due on April 30, 2010 and was not received until May 17, 2010 [30 TEX. ADMIN. CODE §§ 101.20(1), 122.143(4) and 122.145(1)(C), 40 CODE OF FEDERAL REGULATIONS § 60.636(c), Federal Operating Permit No. O-0863 General Terms and Conditions, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$9,743</p> <p>Total Deferred: \$1,948 <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: \$7,795</p> <p>Compliance History Classifications: Person/CN - Average Site/RN - High</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that on July 15, 2010, ownership of the Plant was transferred to Tristream East Texas, LLC. The Executive Director also recognizes that on May 17, 2010, the Respondent submitted the semi-annual NSPS Subpart KKK VOC leak monitoring report.</p>

Additional ID No(s): AIR HM0014N



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	22-Nov-2010	Screening	6-Dec-2010	EPA Due	15-Aug-2011
	PCW	19-Jan-2011				

RESPONDENT/FACILITY INFORMATION	
Respondent	Regency Field Services LLC
Reg. Ent. Ref. No.	RN102176377
Facility/Site Region	5-Tyler
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	40828	No. of Violations	2
Docket No.	2010-2014-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** **\$5,000**

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** **\$625**

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

Total EB Amounts: \$5,370
 Approx. Cost of Compliance: \$5,500
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$4,375**

OTHER FACTORS AS JUSTICE MAY REQUIRE **122.7%** **Adjustment** **\$5,368**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement recommended for the recovery of avoided costs associated with Violation No. 1.

Final Penalty Amount **\$9,743**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$9,743**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$1,948**

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 **\$7,795**

Screening Date 6-Dec-2010

Docket No. 2010-2014-AIR-E

PCW

Respondent Regency Field Services LLC

Policy Revision 2 (September 2002)

Case ID No. 40828

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102176377

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 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) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

No adjustment for Compliance History.

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

Screening Date 6-Dec-2010

Docket No. 2010-2014-AIR-E

PCW

Respondent Regency Field Services LLC

Policy Revision 2 (September 2002)

Case ID No. 40828

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102176377

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 122.121, 122.133(2), and 122.241(b), and Tex. Health & Safety Code §§ 382.054 and 382.085(b)

Violation Description Failed to submit an application for renewal at least six months prior to expiration of a permit and continued to operate the Plant without authorization after the permit expired. Specifically, the Respondent failed to renew Federal Operating Permit No. O-0863 before the permit expiration date of June 22, 2010 and continued to operate the emissions sources at the Plant.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Harm			Percent
	Release	Major	Moderate	
Actual				0%
Potential				

>> Programmatic Matrix

Matrix Notes	Falsification	Major	Moderate	Minor	Percent
			x		
Notes	100% of the rule requirement was not met.				
					Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 23

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

Violation Base Penalty \$2,500

One monthly event is recommended based on the June 22, 2010 permit expiration date to the July 15, 2010 date of Plant ownership change.

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 \$5,368

Violation Final Penalty Total \$5,567

This violation Final Assessed Penalty (adjusted for limits) \$5,567

Economic Benefit Worksheet

Respondent Regency Field Services LLC
Case ID No. 40828
Reg. Ent. Reference No. RN102176377
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

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

Notes for DELAYED costs

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				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]	\$5,000	24-Dec-2009	15-Jul-2010	1.47	\$368	\$5,000	\$5,368
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Avoided cost to submit a permit renewal application. The date required is six months prior to the June 22, 2010 expiration date of Federal Operating Permit No. O-0863 and the final date is the date of ownership change.

Approx. Cost of Compliance \$5,000

TOTAL \$5,368

Screening Date 6-Dec-2010

Docket No. 2010-2014-AIR-E

PCW

Respondent Regency Field Services LLC

Policy Revision 2 (September 2002)

Case ID No. 40828

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102176377

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1), 122.143(4) and 122.145(1)(C), 40 Code of Federal Regulations § 60.636(c), Federal Operating Permit No. O-0863 General Terms and Conditions, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit the semi-annual New Source Performance Standard ("NSPS") volatile organic compound ("VOC") leak monitoring reports no later than 30 days after the end of the reporting period. Specifically, the report for the reporting period of October 1, 2009 through March 31, 2010 was due on April 30, 2010 and was not received until May 17, 2010.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
	x			25%

Matrix Notes 100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 17

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.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes The Respondent completed corrective actions on May 17, 2010, prior to the November 18, 2010 NOE.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$4,176

This violation Final Assessed Penalty (adjusted for limits) \$4,176

Economic Benefit Worksheet

Respondent Regency Field Services LLC
Case ID No. 40828
Reg. Ent. Reference No. RN102176377
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
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)	\$500	30-Apr-2010	17-May-2010	0.05	\$1	n/a	\$1

Notes for DELAYED costs

Estimated cost to complete and submit a timely semi-annual NSPS VOC leak monitoring report. The date required is the date the report was due 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 \$500

TOTAL \$1

Compliance History

Customer/Respondent/Owner-Operator:	CN603263823	Regency Field Services LLC	Classification: AVERAGE	Rating: 2.44
Regulated Entity:	RN102176377	EUSTACE GAS PLANT	Classification: HIGH	Site Rating: 0.00
ID Number(s):	AIR NEW SOURCE PERMITS	PERMIT		6051
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER		HM0014N
	AIR NEW SOURCE PERMITS	AFS NUM		4821300013
	AIR NEW SOURCE PERMITS	REGISTRATION		43723
	AIR NEW SOURCE PERMITS	EPA ID		PSDTX55M3
	AIR NEW SOURCE PERMITS	REGISTRATION		86700
	AIR NEW SOURCE PERMITS	REGISTRATION		82687
	AIR OPERATING PERMITS	ACCOUNT NUMBER		HM0014N
	AIR OPERATING PERMITS	PERMIT		863
	AIR OPERATING PERMITS	PERMIT		3381
	AIR OPERATING PERMITS	ACCOUNT NUMBER		HM0014M
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER		HM0014N
Location:	16401 COUNTY ROAD 2854, EUSTACE, TX, 75124			
TCEQ Region:	REGION 05 - TYLER			
Date Compliance History Prepared:	December 06, 2010			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	December 06, 2005 to December 06, 2010			
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? Yes
3. If Yes, who is the current owner/operator? OWNOPR Tristream East Texas, LLC
4. If Yes, who was/were the prior owner(s)/operator(s)? OWNOPR Regency Field Services LLC
5. When did the change(s) in owner or operator occur? 07/15/2010 OWNOPR Regency Field Services LLC
6. Rating Date: 9/1/2010 Repeat Violator: NO

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	12/16/2005	(440313)
2	12/16/2005	(449491)
3	02/06/2006	(449717)
4	03/09/2006	(458393)
5	04/13/2006	(458559)
6	04/13/2006	(458760)
7	04/13/2006	(458854)
8	04/13/2006	(459082)

9	04/13/2006	(459215)
10	04/13/2006	(460201)
11	04/13/2006	(460303)
12	05/23/2006	(467189)
13	08/22/2006	(497534)
14	10/19/2006	(509143)
15	08/28/2006	(509779)
16	09/20/2006	(511669)
17	09/20/2006	(512879)
18	09/21/2006	(513429)
19	10/18/2006	(513863)
20	10/19/2006	(515169)
21	12/19/2006	(533881)
22	02/12/2007	(539400)
23	05/02/2007	(556285)
24	05/21/2007	(561164)
25	09/25/2007	(594195)
26	10/01/2007	(596234)
27	10/04/2007	(596497)
28	10/26/2007	(596962)
29	10/25/2007	(597685)
30	11/20/2007	(599870)
31	03/28/2008	(639477)
32	11/10/2008	(706016)
33	05/26/2009	(745050)
34	05/26/2009	(745362)
35	11/16/2009	(745377)
36	05/28/2009	(746099)
37	05/28/2009	(746245)
38	06/05/2009	(746505)
39	05/28/2009	(746549)
40	06/03/2009	(746576)
41	10/13/2009	(777671)
42	10/13/2009	(777689)
43	10/05/2009	(777809)
44	02/01/2010	(788545)
45	10/28/2010	(866550)
46	11/18/2010	(866625)
47	10/28/2010	(866702)
48	10/28/2010	(866728)
49	10/28/2010	(869922)
50	10/28/2010	(870083)
51	10/28/2010	(870336)
52	11/01/2010	(870358)
53	11/01/2010	(870464)
54	10/28/2010	(870645)
55	10/28/2010	(870663)
56	10/28/2010	(870676)

57	11/01/2010	(870837)
58	10/28/2010	(870861)
59	11/17/2010	(872493)
60	11/30/2010	(873181)

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
REGENCY FIELD SERVICES LLC
RN102176377**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2010-2014-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 Regency Field Services LLC ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owned and operated a natural gas refining plant at 16401 County Road 2854 in Eustace, Henderson 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 November 23, 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 Nine Thousand Seven Hundred Forty-Three Dollars (\$9,743) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Seven Thousand Seven Hundred Ninety-Five Dollars (\$7,795) of the administrative penalty and One Thousand Nine Hundred Forty-Eight Dollars (\$1,948) 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 on July 15, 2010, ownership of the Plant was transferred to Tristream East Texas, LLC. The Executive Director also recognizes that on May 17, 2010, the Respondent submitted the semi-annual New Source Performance Standard ("NSPS") Subpart KKK volatile organic compound ("VOC") leak monitoring report.
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 the former owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to submit an application for renewal at least six months prior to expiration of a permit and continued to operate the Plant without authorization after the permit expired, in violation of 30 TEX. ADMIN. CODE §§ 122.121, 122.133(2), and 122.241(b), and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b), as documented during an investigation conducted on October 25, 2010. Specifically, the Respondent failed to renew Federal Operating Permit No. O-0863 before the permit expiration date of June 22, 2010 and continued to operate the emissions sources at the Plant.

2. Failed to submit the semi-annual NSPS Subpart KKK VOC leak monitoring reports no later than 30 days after the end of the reporting period, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 122.143(4) and 122.145(1)(C), 40 CODE OF FEDERAL REGULATIONS § 60.636(c), Federal Operating Permit No. O-0863 General Terms and Conditions, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on October 25, 2010. Specifically, the report for the reporting period of October 1, 2009 through March 31, 2010 was due on April 30, 2010 and was not received until May 17, 2010.

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: Regency Field Services LLC, Docket No. 2010-2014-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. 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.
3. 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.
4. 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

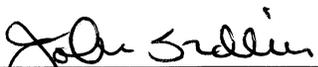
accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile 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.

5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

3/24/2011
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.



Signature

2/17/11
Date

Will Kenke
Name (Printed or typed)
Authorized Representative of
Regency Field Services LLC

Environmental 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.