

CAPTION: Docket No. 2010-1796-AIR-E. Consideration of an Agreed Order assessing administrative penalties and requiring certain actions of WTG Gas Processing, L.P. in Howard County; RN100211473; for air quality violations pursuant to Tex. Health & Safety Code ch. 382, Tex. Water Code ch. 7, and the rules of the Texas Commission on Environmental Quality, including specifically 30 Texas Administrative Code ch. 60. (Trina Grieco, Laurie Eaves)

Page 1 of 3

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2010-1796-AIR-E **TCEQ ID:** RN100211473 **CASE NO.:** 40651
RESPONDENT NAME: WTG Gas Processing, L.P.

ORDER TYPE:		
<input type="checkbox"/> 1660 AGREED ORDER	<input checked="" 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: East Vealmoor Gas Plant, 16 miles north of Coahoma on Farm-to-Market Road 846, Howard County</p> <p>TYPE OF OPERATION: Natural gas plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are two records of additional pending enforcement actions regarding this facility location: Docket Nos. 2011-0122-AIR-E and 2011-0383-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 May 2, 2011. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Trina Grieco, Enforcement Division, Enforcement Team 5, MC R-13, (210) 403-4006; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495 Respondent: Mr. J.L. Davis, President, WTG Gas Processing, L.P., 211 North Colorado Street, Midland, Texas 79701-4607 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 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: September 2, 2010 through October 5, 2010</p> <p>Date of NOV/NOE Relating to this Case: October 11, 2010 (NOE)</p> <p>Background Facts: This was a records review.</p> <p>AIR</p> <p>1) Failed to report emissions events within 24 hours after discovery of the event [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failed to prevent unauthorized emissions. Specifically, overpressuring of the inlet gas line during reopening after pigging activities led to the unauthorized release of 18.15 pounds ("lbs") of carbon monoxide ("CO"), 102.00 lbs of hydrogen sulfide ("H2S"), 2.18 lbs of nitrogen oxides ("NOx"), and 9,591.88 lbs of sulfur dioxide ("SO2") were released from the Acid Gas Flare, emission point number ("EPN") AGF1, and the unauthorized release of 2,473.50 lbs of CO, 11.00 lbs of H2S, 123.75 lbs of volatile organic compounds ("VOCs"), 1,258.00 lbs of NOx, and 1,009.88 lbs of SO2 from the Emergency Flare, EPN F-2, in the East Vealmoor Gas Plant during an emissions event (Incident No. 142577) that occurred on July 20, 2010 and lasted 12 hours and 30 minutes. Since this event was avoidable and reported late, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review ("NSR") Permit No. 20137, Special Conditions 1].</p>	<p>Total Assessed: \$30,140</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$30,140</p> <p>Compliance History Classifications: Person/CN - Average Site/RN - Average</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p> <p>Findings Orders Justification:</p> <p>Human health or the environment has been exposed to pollutants which exceed levels that are protective.</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent discontinued use of the 12-inch inlet gas line until a procedure can be developed to consistently ensure that emissions events similar to Incident Nos. 142577 and 143496 do not occur.</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 designed to ensure that emissions events are reported within required timeframes; and</p> <p>ii. Implement measures designed to prevent too much pressure into the inlet gas line upon re-opening, in order to prevent recurrence of events due to the same causes as Incident Nos. 142577 and 143496.</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a.</p>

<p>3) Failed to prevent unauthorized emissions. Specifically, overpressuring of the inlet gas line during reopening after pigging activities led to the unauthorized release of 8.00 lbs of CO, 294.00 lbs of H₂S, 2.00 lbs of NO_x, and 27,699.00 lbs of SO₂ from the Acid Gas Flare, EPN AGF₁, and the unauthorized release of 267.00 lbs of CO, 9.00 lbs of H₂S, 91.00 lbs of VOCs, 885.00 lbs of NO_x, and 775.00 lbs of SO₂ from the Emergency Flare, EPN F-2, in the East Vealmoor Gas Plant during an emissions event (Incident No. 143496) that occurred on August 12, 2010 and lasted 40 hours. Since this event was avoidable and reported late, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and NSR Permit No. 20137, Special Conditions 1].</p>		
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Additional ID No(s): Air Account HT0016G



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	18-Oct-2010	Screening	28-Oct-2010	EPA Due	8-Jul-2011
	PCW	28-Oct-2010				

RESPONDENT/FACILITY INFORMATION

Respondent	WTG Gas Processing, L.P.		
Reg. Ent. Ref. No.	RN100211473		
Facility/Site Region	7-Midland	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	40651	No. of Violations	3
Docket No.	2010-1796-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Trina Grieco
		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** **\$25,200**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **95.0%** Enhancement **Subtotals 2, 3, & 7** **\$23,940**

Notes: Enhancement for three NOV's with same/similar violations and four orders with denial of liability.

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 **\$181**
 Approx. Cost of Compliance **\$4,250**
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$49,140**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$49,140**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$30,140**

DEFERRAL **0.0%** Reduction **Adjustment** **\$0**

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

Notes: No deferral is recommended for Findings Orders.

PAYABLE PENALTY **\$30,140**

Screening Date 28-Oct-2010

Docket No. 2010-1796-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40651

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100211473

Media [Statute] Air

Enf. Coordinator Trina Grieco

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>)	3	15%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	4	80%
	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%

Please Enter Yes or No

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

Adjustment Percentage (Subtotal 2) 95%

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

No

Adjustment Percentage (Subtotal 3) 0%

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

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes

Enhancement for three NOVs with same/similar violations and four orders with denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 95%

Screening Date 28-Oct-2010

Docket No. 2010-1796-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40651

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100211473

Media [Statute] Air

Enf. Coordinator Trina Grieco

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to report emissions events within 24 hours after discovery. Specifically, Incident No. 142577 was discovered on July 20, 2010 at 9:00 a.m., but was not reported until July 21, 2010 at 10:54 a.m.; and Incident No. 143496 was discovered on August 12, 2010 at 9:25 a.m., but was not reported until August 13, 2010 at 10:18 a.m.

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	1%

Matrix Notes

The Respondent failed to comply with less than 30% of the rule requirement.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 2 Number of violation days 2

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

Violation Base Penalty \$200

Two single events (one per report) are recommended.

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 \$200

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$68

Violation Final Penalty Total \$390

This violation Final Assessed Penalty (adjusted for limits) \$390

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.
Case ID No. 40651
Reg. Ent. Reference No. RN100211473
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	\$1,500	21-Jul-2010	15-Jun-2011	0.90	\$68	n/a	\$68
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	21-Jul-2010	13-Aug-2010	0.06	\$1	n/a	\$1

Notes for DELAYED costs

Estimated costs for plant personnel to submit an emissions event report (\$250), and for the implementation of new plant procedures concerning emissions event reporting requirements (\$1,500). The date required is the date the first report was due and the final dates are the date corrective actions were completed (the reports were submitted), August 13, 2010, and the date the remaining corrective actions are projected to be completed, June 15, 2011.

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

\$1,750

TOTAL

\$68

Screening Date 28-Oct-2010

Docket No. 2010-1796-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40651

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100211473

Media [Statute] Air

Enf. Coordinator Trina Grieco

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b), and New Source Review ("NSR") Permit No. 20137, Special Conditions 1

Violation Description Failed to prevent unauthorized emissions. Specifically, overpressuring of the inlet gas line during reopening after pigging activities led to the unauthorized release of 18.15 pounds ("lbs") of carbon monoxide ("CO"), 102.00 lbs of hydrogen sulfide ("H2S"), 2.18 lbs of nitrogen oxides ("NOx"), and 9,591.88 lbs of sulfur dioxide ("SO2") were released from the Acid Gas Flare, emission point number ("EPN") AGF1, and the unauthorized release of 2,473.50 lbs of CO, 11.00 lbs of H2S, 123.75 lbs of volatile organic compounds ("VOCs"), 1,258.00 lbs of NOx, and 1,009.88 lbs of SO2 from the Emergency Flare, EPN F-2, in the East Vealmoor Gas Plant during an emissions event (Incident No. 142577) that occurred on July 20, 2010 and lasted 12 hours and 30 minutes. Since this event was avoidable and reported late, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), Percent (50%). Includes 'OR' label.

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, Percent (0%).

Matrix Notes Human health or the environment has been exposed to significant amounts of contaminants that did not exceed protective levels as a result of the violation.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1 Number of violation days 1

Table for event frequency: daily, weekly, monthly (marked with X), quarterly, semiannual, annual, single event.

Violation Base Penalty \$5,000

One monthly event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Table for Good Faith Efforts: Extraordinary, Ordinary, N/A (marked with X), Notes.

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

Violation Subtotal \$5,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$113

Violation Final Penalty Total \$9,750

This violation Final Assessed Penalty (adjusted for limits) \$9,750

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.
Case ID No. 40651
Rea. Ent. Reference No. RN100211473
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

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				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)	\$2,500	20-Jul-2010	15-Jun-2011	0.90	\$113	n/a	\$113

Notes for DELAYED costs

Estimated cost to implement measures designed to prevent too much pressure into the inlet gas line upon re-opening. The date required is the date of the release and the final date is the date corrective actions are projected 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 \$2,500

TOTAL \$113

Screening Date 28-Oct-2010

Docket No. 2010-1796-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 2 (September 2002)

Case ID No. 40651

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100211473

Media [Statute] Air

Enf. Coordinator Trina Grieco

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b), and NSR Permit No. 20137, Special Conditions 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, overpressuring of the inlet gas line during reopening after pigging activities led to the unauthorized release of 8.00 lbs of CO, 294.00 lbs of H2S, 2.00 lbs of NOx, and 27,699.00 lbs of SO2 from the Acid Gas Flare, EPN AGF1, and the unauthorized release of 267.00 lbs of CO, 9.00 lbs of H2S, 91.00 lbs of VOCs, 885.00 lbs of NOx, and 775.00 lbs of SO2 from the Emergency Flare, EPN F-2, in the East Vealmoor Gas Plant during an emissions event (Incident No. 143496) that occurred on August 12, 2010 and lasted 40 hours. Since this event was avoidable and reported late, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	x			100%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of contaminants that exceeded protective levels as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 2 Number of violation days 2

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

Violation Base Penalty \$20,000

Two daily events are recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

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

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

Violation Subtotal \$20,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$39,000

This violation Final Assessed Penalty (adjusted for limits) \$20,000

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.
Case ID No. 40651
Reg. Ent. Reference No. RN100211473
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

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

Notes for DELAYED costs

The economic benefit for this violation is captured in the economic benefit calculated for Violation 2.

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

\$0

TOTAL

\$0

Compliance History Report

Customer/Respondent/Owner-Operator: CN600125439 WTG Gas Processing, L.P. Classification: AVERAGE Rating: 4.16
Regulated Entity: RN100211473 EAST VEALMOOR GAS PLANT Classification: AVERAGE Site Rating: 17.31
ID Number(s):
AIR OPERATING PERMITS ACCOUNT NUMBER HT0016G
AIR OPERATING PERMITS PERMIT 3180
AIR NEW SOURCE PERMITS REGISTRATION 91700
AIR NEW SOURCE PERMITS PERMIT 5301
AIR NEW SOURCE PERMITS PERMIT 8461
AIR NEW SOURCE PERMITS PERMIT 20137
AIR NEW SOURCE PERMITS REGISTRATION 27064
AIR NEW SOURCE PERMITS REGISTRATION 37218
AIR NEW SOURCE PERMITS REGISTRATION 47146
AIR NEW SOURCE PERMITS ACCOUNT NUMBER HT0016G
AIR NEW SOURCE PERMITS AFS NUM 4822700003
AIR EMISSIONS INVENTORY ACCOUNT NUMBER HT0016G

Location: 16 MI NORTH OF COAHOMA ON FM 846 IN HOWARD COUNTY, TX

TCEQ Region: REGION 07 - MIDLAND

Date Compliance History Prepared: October 20, 2010

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: October 20, 2005 to October 20, 2010

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

Name: Trina Grieco Phone: (210) 403-4006

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2010 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.

Effective Date: 01/28/2008

ADMINORDER 2007-0722-AIR-E

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)

30 TAC Chapter 122, SubChapter B 122.145(2)(C)

30 TAC Chapter 122, SubChapter B 122.146(2)

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to submit an annual certification and semi-annual deviation reports within 30 days and submit all instances of deviations, as documented during an investigation conducted on February 13, 2007. Specifically, the annual certification for the period 1/13/05 through 1/12/06 and the semi-annual deviation reports for the periods 1/13/04 through 7/12/04 and 1/13/05 through 7/12/05 were not submitted within 30 days and failed to include all instances of failure to comply with minimum sru effs.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 5301 PERMIT

Special Condition 6.B. PERMIT

Description: Failed to perform the annual evaluation of the catalyst degradation for Emission Point No. CM-20, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 5301,

Special Condition No. 6B and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 13, 2007.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT LLL 60.642(b)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: MAERT PERMIT

Description: Failed to prevent the exceedance of sulfur dioxide and maintaining sulfur dioxide reduction efficiency above the 74% federal minimum requirement and 94% permitted minimum requirement for the reporting periods January 13, 2004 to January 12, 2007, as documented during an investigation conducted on February 13, 2007.

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
30 TAC Chapter 122, SubChapter B 122.146(2)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to properly submit semi-annual deviation reports and include all instances of deviations, as documented during an investigation conducted on February 13, 2007. Specifically, semi-annual deviation reports for the reporting periods 7/13/04 - 1/12/05, 7/13/05 - 1/12/06, 1/13/06 - 7/12/06 and 7/13/06 - 1/12/07 did not include deviations for the late submittal of previous deviation reports and included incorrect reporting of instances where WTG failed to comply with minimum SRU efficiencies.

Effective Date: 10/04/2009

ADMINORDER 2009-0210-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition No. 5 PERMIT

Description: Failure to maintain a minimum sulfur reduction efficiency of 94.0%. Specifically, the minimum efficiency was not met on the following dates in 2007: January 3 (92.46%), February 9 (86.09%), February 27 (93.94%), March 1 (93.1%) April 26 (93.0%), May 2 (93.4%), May 14 (93.5%), and May 25 (93.6%).

Effective Date: 06/18/2010

ADMINORDER 2009-1371-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: NSR Permit No. 20137 PERMIT

Description: Failed to maintain records of sulfur dioxide ("SO₂") emissions, stack oxygen concentration, and exhaust flow. Specifically, the Respondent has failed to maintain records from the Tail Gas Incinerator (EPN INC-1) for the January 13, 2008 through January 12, 2009 certification period.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: NSR Permit No. 20137 SC No. 10 PERMIT

Description: Failed to maintain an emission rate below the allowable 1.0 grams per horsepower hour ("g/hp-hr") limit for carbon monoxide ("CO") from the Waukesha L7042 Engine (Emission Point Number ("EPN") CM16). Specifically, the Respondent exceeded the permitted CO emission limit from January 2008 through August 2009.

Effective Date: 09/26/2010

ADMINORDER 2010-0219-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition No. 16F PERMIT

Description: Failure to conduct stack testing every five years. The incinerator stack testing should have been conducted by October 24, 2008, but was not completed until November 17, 2009.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(iii)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct biennial engine testing on Emission Point Numbers ("EPN") CM-31 and CM-32 for nitrogen oxides and carbon monoxide. The testing was required to have been conducted by July 26, 2009, but the test was not completed until January 4, 2010, for CM-31 and on January 5, 2010 for CM-32.

Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Description: Failure to report all instances of deviation. Specifically, the Respondent did not report two deviations in its January 13, 2009 through July 12, 2009 and July 13, 2009 through October 4, 2009 deviation reports.

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

N/A

C. Chronic excessive emissions events.

N/A

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

- 1 01/20/2006(377556)
- 2 05/18/2006 (466719)
- 3 04/04/2007 (555226)
- 4 01/16/2009 (685433)
- 5 07/01/2009 (760328)
- 6 08/03/2009 (764110)
- 7 09/09/2009 (775260)
- 8 01/22/2010 (787934)
- 9 01/22/2010 (789064)
- 10 01/26/2010 (789444)
- 11 03/09/2010 (794398)
- 12 03/19/2010 (796251)
- 13 04/13/2010 (797979)
- 14 07/30/2010 (843462)
- 15 08/20/2010 (849593)
- 16 10/12/2010 (866338)

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

Date: 01/16/2009 (685433) CN600125439
Self Report? NO Classification: Major
Citation: 30 TAC Chapter 122, SubChapter B 122.146(5)(C)
5C THSC Chapter 382 382.085(b)
Description: Failure to properly report deviations involving the failure to comply with the permitted minimum sulfur recovery unit efficiencies. All deviations due to the SRU inability to maintain efficiency were reported as deviations; however, the entries were for specified periods of time rather than individual days. Each deviation should be reported separately.

Date: 08/03/2009 (764110) CN600125439
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Description: Failure to submit RATA test to regional office within 30 days of test.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)
Description: Failure to report all instances of deviation on deviation report.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
NSR Permit No. 20137 PERMIT
Description: Failure to maintain records as stipulated in the permit.

Date: 01/15/2010(787934)CN600125439

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)
 5C THSC Chapter 382 382.085(b)

Description: Failure to submit Annual Compliance Certification within 30 days of the end of the certification period.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(C)
 5C THSC Chapter 382 382.085(b)

Description: Failure to submit deviation report within 30 days of the end of the certification period.

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(c)
 5C THSC Chapter 382 382.085(b)
 Special Condition No. 2 PERMIT

Description: Failure to submit a written report of excess emissions to the TCEQ regional office within 30 days of the end of the six-month period (three counts).

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
 5C THSC Chapter 382 382.085(b)

Description: Failure to report all instances of deviation in deviation reports.

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
WTG GAS PROCESSING, L.P.
RN100211473**

§
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§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2010-1796-AIR-E**

At its _____ agenda, the Texas Commission on Environmental Quality (“the Commission” or “TCEQ”) considered this agreement of the parties, resolving an enforcement action regarding WTG Gas Processing, L.P. (“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 presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. 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. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a natural gas plant located 16 miles north of Coahoma on Farm-to-Market Road 846 in Howard County, Texas (the “Plant”).

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During a record review on September 2 through October 5, 2010, TCEQ staff documented the Respondent failed to report emissions events within 24 hours after discovery. Specifically, Incident No. 142577 was discovered on July 20, 2010 at 9:00 a.m., but was not reported until July 21, 2010 at 10:54 a.m.; and Incident No. 143496 was discovered on August 12, 2010 at 9:25 a.m., but was not reported until August 13, 2010 at 10:18 a.m.
4. During a record review on September 2 through October 5, 2010, TCEQ staff documented the Respondent failed to prevent unauthorized emissions. Specifically, overpressuring of the inlet gas line during reopening after pigging activities led to the unauthorized release of 18.15 pounds ("lbs") of carbon monoxide ("CO"), 102.00 lbs of hydrogen sulfide ("H₂S"), 2.18 lbs of nitrogen oxides ("NO_x"), and 9,591.88 lbs of sulfur dioxide ("SO₂") from the Acid Gas Flare, emission point number ("EPN") AGF1, and the unauthorized release 2,473.50 lbs of CO, 11.00 lbs of H₂S, 123.75 lbs of volatile organic compounds ("VOCs"), 1,258.00 lbs of NO_x, and 1,009.88 lbs of SO₂ from the Emergency Flare, EPN F-2, in the East Vealmoor Gas Plant during an emissions event (Incident No. 142577) that occurred on July 20, 2010 and lasted 12 hours and 30 minutes.
5. During a record review on September 2 through October 5, 2010, TCEQ staff documented the Respondent failed to prevent unauthorized emissions. Specifically, overpressuring of the inlet gas line during reopening after pigging activities led to the unauthorized release of 8.00 lbs of CO, 294.00 lbs of H₂S, 2.00 lbs of NO_x, and 27,699.00 lbs of SO₂ from the Acid Gas Flare, EPN AGF1, and the unauthorized release of 267.00 lbs of CO, 9.00 lbs of H₂S, 91.00 lbs of VOCs, 885.00 lbs of NO_x, and 775.00 lbs of SO₂ from the Emergency Flare, EPN F-2, in the East Vealmoor Gas Plant during an emissions event (Incident No. 143496) that occurred on August 12, 2010 and lasted 40 hours.
6. The Respondent received notice of the violations on October 18, 2010.
7. The Executive Director recognizes that the Respondent discontinued use of the 12-inch inlet gas line until a procedure can be developed to consistently ensure that emissions events similar to Incident Nos. 142577 and 143496 do not occur.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to report emissions events within 24 hours after discovery of the event, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b).

3. As evidenced by Findings of Fact No. 4, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review ("NSR") Permit No. 20137, Special Conditions 1. Since this event was avoidable and reported late, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met.
4. As evidenced by Findings of Fact No. 5, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and NSR Permit No. 20137, Special Conditions 1. Since this event was avoidable and reported late, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met.
5. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
6. An administrative penalty in the amount of Thirty Thousand One Hundred Forty Dollars (\$30,140) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid the Thirty Thousand One Hundred Forty Dollar (\$30,140) administrative penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Thirty Thousand One Hundred Forty Dollars (\$30,140) as set forth in Section II, Paragraph 6 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: WTG Gas Processing, L.P., Docket No. 2010-1796-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 Respondent shall undertake the following technical requirements:

a. Within 30 days after the effective date of this Agreed Order:

- i. Implement measures designed to ensure that emissions events are reported within required timeframes; and
- ii. Implement measures designed to prevent too much pressure into the inlet gas line upon re-opening, in order to prevent recurrence of events due to the same causes as Incident Nos. 142577 and 143496.

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

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

The certification shall be submitted to:

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

with a copy to:

Air Section Manager
Midland Regional Office
Texas Commission on Environmental Quality
3300 North A Street, Building 4, Suite 107
Midland, Texas 79705-5404

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
7. 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.
8. 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.
9. 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.

10. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John Soderlin
For the Executive Director

4.14.2011
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of WTG Gas Processing, L.P. I am authorized to agree to the attached Agreed Order on behalf of WTG Gas Processing, L.P., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, WTG Gas Processing, L.P. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

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.

J. L. Davis
Signature

2-24-2011
Date

J.L. Davis
Name (Printed or typed)
Authorized Representative of
WTG Gas Processing, L.P.

President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section III, Paragraph 1 of this Agreed Order.