

Executive Summary – Enforcement Matter – Case No. 41684

Belvan Corp.

RN100214022

Docket No. 2011-0783-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

Unauthorized emissions which are excessive emissions events.

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Belvan Midway Lane Gas Plant, approximately six miles east on United States (“U.S.”) Highway 190 from the State Highway 137 and U.S. Highway 190 intersection, near Ozona, Crockett County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: November 11, 2011

Comments Received: No

Penalty Information

Total Penalty Assessed: \$40,230

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$40,230

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Average

Site/RN - Poor

Major Source: Yes

Statutory Limit Adjustment: \$42,000

Applicable Penalty Policy: September 2002

**Executive Summary – Enforcement Matter – Case No. 41684
Belvan Corp.
RN100214022
Docket No. 2011-0783-AIR-E**

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: March 29, 2011
Date(s) of NOE(s): May 12, 2011

Violation Information

1. Failed to submit a copy of the final record for a reportable emissions event [30 TEX. ADMIN. CODE § 101.201(c) and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to prevent unauthorized emissions during an emissions event. Since the final record of the emissions event was not submitted within two weeks after the end of the event, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 9824A Special Conditions No. 10, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant in order to prevent a recurrence of emissions events due to the same cause as Incident No. 141009:

- a. On June 15, 2010, the Respondent replaced the weak line coming off the first sulfur condenser bed; and
- b. By August 11, 2010, the Respondent shut down the sulfur recovery unit and began transporting the gas via pipeline to a permitted underground injection well for disposal.

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, implement improvements to the emissions events recordkeeping / reporting system to ensure that final records of emissions events are submitted no later than two weeks after the end of the event; and
- b. Within 45 days, submit written certification demonstrating compliance.

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A

Executive Summary – Enforcement Matter – Case No. 41684

Belvan Corp.

RN100214022

Docket No. 2011-0783-AIR-E

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Heather Podlipny, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-2603; Debra Barber, Enforcement Division,
MC 219, (512) 239-0412

TCEQ SEP Coordinator: N/A

Respondent: J.L. Davis, President, Belvan Corp., 211 North Colorado Street, Midland,
Texas 79701

Robert Stewart, Environmental Coordinator, Belvan Corp., 211 North Colorado Street,
Midland, Texas 79701

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	16-May-2011	Screening	18-May-2011	EPA Due	6-Feb-2012
	PCW	20-May-2011				

RESPONDENT/FACILITY INFORMATION	
Respondent	Belvan Corp.
Reg. Ent. Ref. No.	RN100214022
Facility/Site Region	8-San Angelo
Major/Minor Source	Major

CASE INFORMATION		No. of Violations	2
Enf./Case ID No.	41684	Order Type	Findings
Docket No.	2011-0783-AIR-E	Government/Non-Profit	No
Media Program(s)	Air	Enf. Coordinator	Heather Podlipny
Multi-Media		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	\$40,100
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ADJUSTMENTS (+/-) TO SUBTOTAL 1		
<small>Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.</small>		
Compliance History	130.0% Enhancement	Subtotals 2, 3, & 7
		\$52,130

Notes: Enhancement for four NOV's with same/similar violations, three orders with denial of liability, and two orders without denial of liability.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$10,000
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$37
Approx. Cost of Compliance \$2,250
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$82,230
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$82,230
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$40,230
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DEFERRAL	0.0% Reduction	Adjustment	\$0
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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	\$40,230
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Screening Date 18-May-2011

Docket No. 2011-0783-AIR-E

PCW

Respondent Belvan Corp.

Policy Revision 2 (September 2002)

Case ID No. 41684

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100214022

Media [Statute] Air

Enf. Coordinator Heather Podlipny

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>)	4	20%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	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	2	50%
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) 130%

>> **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 four NOVs with same/similar violations, three orders with denial of liability, and two orders without denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 130%

Screening Date 18-May-2011

Docket No. 2011-0783-AIR-E

PCW

Respondent Belvan Corp.

Policy Revision 2 (September 2002)

Case ID No. 41684

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100214022

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Violation Number 1

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

Violation Description Failed to submit a copy of the final record for a reportable emissions event for Incident No. 141009. Specifically, the incident began on June 11, 2010 and ended on June 15, 2010, and the final record was submitted on July 2, 2010, more than two weeks after the end of the emissions event.

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	1%

Matrix Notes

Less than 30% of the rule requirement was not met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1 Number of violation days 2

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

Violation Base Penalty \$100

One single event is recommended for the untimely submission of the final record for the emissions event.

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 \$100

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$20

Violation Final Penalty Total \$230

This violation Final Assessed Penalty (adjusted for limits) \$230

Economic Benefit Worksheet

Respondent Belvan Corp.
Case ID No. 41684
Reg. Ent. Reference No. RN100214022
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
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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	\$250	30-Jun-2010	6-Feb-2012	1.61	\$20	n/a	\$20
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 cost for improving the recordkeeping/reporting system for timely submittals of emissions event reports. The Date Required is the date the report was due and the Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$250

TOTAL \$20

Screening Date 18-May-2011

Docket No. 2011-0783-AIR-E

PCW

Respondent Belvan Corp.

Policy Revision 2 (September 2002)

Case ID No. 41684

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100214022

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), New Source Review Permit No. 9824A Special Conditions No. 10, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions during an emissions event. Specifically, during an emissions event (Incident No. 141009) that began on June 11, 2010, and lasted approximately 88 hours, the Respondent released approximately 35,841 pounds ("lbs") of sulfur dioxide, 3 lbs of carbon monoxide, and 381 lbs of hydrogen sulfide from the process flare, Emission Point No. 2. The event occurred due to a significant weak spot on a line coming off the first sulfur condenser bed. Since the final record of the emissions event was not submitted within two weeks after the end of the event, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 4

4 Number of violation days

mark only one with an x

daily	x
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$40,000

Four daily events are recommended based on an emissions event that started on June 11, 2010 and ended on June 15, 2010.

Good Faith Efforts to Comply

25.0% Reduction

\$10,000

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

Notes

The Respondent came into compliance on August 11, 2010 and the NOE is dated May 12, 2011.

Violation Subtotal \$30,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$17

Violation Final Penalty Total \$82,000

This violation Final Assessed Penalty (adjusted for limits) \$40,000

Economic Benefit Worksheet

Respondent Belvan Corp.
Case ID No. 41684
Reg. Ent. Reference No. RN100214022
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)	\$2,000	11-Jun-2010	11-Aug-2010	0.17	\$17	n/a	\$17

Notes for DELAYED costs

Estimated cost of implementing procedures designed to prevent recurrence of unauthorized emissions due to the same cause. The Date Required is the date the emissions event began, 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 \$2,000

TOTAL \$17

Compliance History

Customer/Respondent/Owner-Operator:	CN600127187 Belvan Corp.	Classification: AVERAGE	Rating: 17.65
Regulated Entity:	RN100214022 BELVAN MIDWAY LANE GAS PLANT	Classification: POOR	Site Rating: 46.94
ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	CZ0006F
	AIR OPERATING PERMITS	PERMIT	3149
	AIR OPERATING PERMITS	PERMIT	3149
	AIR NEW SOURCE PERMITS	PERMIT	9824A
	AIR NEW SOURCE PERMITS	REGISTRATION	39301
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	CZ0006F
	AIR NEW SOURCE PERMITS	REGISTRATION	51748
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX749
	AIR NEW SOURCE PERMITS	AFS NUM	481050006
	AIR NEW SOURCE PERMITS	REGISTRATION	94903
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	CZ0006F
Location:	APPROX 6 MI EAST ON U.S. HWY 190 FROM STATE HWY 137 AND U.S. HWY 190 INTX, NEAR OZONA, TX 76943		
TCEQ Region:	REGION 08 - SAN ANGELO		
Date Compliance History Prepared:	May 18, 2011		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	May 18, 2006 to May 18, 2011		
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History			
Name:	Gena Hawkins	Phone:	(512) 239 - 2583

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? 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:	10/19/2006	ADMINORDER 2002-0898-AIR-E
Classification:	Moderate	
Citation:	30 TAC Chapter 101, SubChapter A 101.20(1)	
	40 CFR Part 60, Subpart KKK 60.632(a)	
	5C THC Chapter 382, SubChapter D 382.085(b)	
Rqmt Prov:	GOP No. 514 OP	
Description:	Failure to conduct the fugitive emissions leak detection and repair program in accordance with New Source Performance Standard (NSPS) Subpart KKK.	
Classification:	Moderate	
Citation:	30 TAC Chapter 101, SubChapter A 101.20(1)	
	30 TAC Chapter 116, SubChapter B 116.115(c)	
	40 CFR Part 60, Subpart LLL 60.642(b)	
	5C THC Chapter 382, SubChapter D 382.085(b)	
Rqmt Prov:	GOP No. 514 OP	
Description:	Failure to comply with the required minimum sulfur dioxide emission reduction efficiency.	
Classification:	Moderate	
Citation:	30 TAC Chapter 106, SubChapter W 106.512(2)(C)(iii)	
	5C THC Chapter 382, SubChapter D 382.085(b)	
Rqmt Prov:	GOP No. 514 OP	
Description:	Failure to conduct an initial performance test within 60 days of the initial start-up of an engine.	
Classification:	Moderate	
Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)	
	5C THC Chapter 382, SubChapter D 382.085(b)	
Rqmt Prov:	GOP No. 514 OP	
Description:	Failure to maintain a daily flare operation log that denotes when the process flare was observed and whether or not it was smoking.	
Classification:	Moderate	
Citation:	30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)	
	5C THC Chapter 382, SubChapter D 382.085(b)	
Rqmt Prov:	GOP No. 514 OP	
Description:	Failure to maintain all air pollution emission capture and abatement equipment in good working order.	
Classification:	Moderate	
Citation:	30 TAC Chapter 122, SubChapter B 122.145(2)(A)	
	30 TAC Chapter 122, SubChapter B 122.145(2)(C)	
	5C THC Chapter 382, SubChapter D 382.085(b)	
Rqmt Prov:	GOP No. 514 OP	
Description:	Failure to report all instances of deviations for three six month reporting periods.	
Classification:	Moderate	
Citation:	30 TAC Chapter 122, SubChapter B 122.145(2)(C)	
	5C THC Chapter 382, SubChapter D 382.085(b)	
Rqmt Prov:	GOP No. 514 OP	
Description:	Failure to submit a complete and accurate deviation report no later than 30 days after the end of the reporting period.	
Classification:	Moderate	
Citation:	30 TAC Chapter 122, SubChapter B 122.146(2)	
	5C THC Chapter 382, SubChapter D 382.085(b)	

Rqmt Prov: GOP No. 514 OP
 Description: Failure to submit a compliance certification report no later than 30 days after the end of the certification period.
 Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter F 122.503(a)(1)
 30 TAC Chapter 122, SubChapter F 122.503(c)(2)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Rqmt Prov: GOP No. 514 OP
 Description: Failure to submit a revised general operating permit (GOP) application prior to the operation of a change in applicability determinations at a site.

Effective Date: 09/22/2008 ADMINORDER 2007-1548-AIR-E
 Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.10(e)
 5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit a 2006 annual emissions inventory update.

Effective Date: 03/23/2009 ADMINORDER 2008-1389-AIR-E

Classification: Moderate
 Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP No. O-00326, Condition (b)(8) ORDER
 Permit No. 9824A, Special Condition 2 PERMIT
 Permit No. 9824A, Special Condition 3 PERMIT
 Permit No. 9824A, Special Condition 6 PERMIT
 Permit No. 9824A, Special Condition 7 PERMIT

Description: Failed to maintain records.

Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(f)(2)
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit No. 9824A, Special Condition 5 PERMIT
 Description: Failed to monitor the pilot flame of the emergency flare, EPN 1, with a thermocouple or infrared monitor.

Classification: Major
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit No. 9824A, General Condition 8 PERMIT
 Description: Failed to prevent unauthorized emissions. Since this emissions event was avoidable and determined to be excessive, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present and affirmative defense were not met.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)
 5C THSC Chapter 382 382.085(b)

Description: Failed to report a reportable emissions event within 24 hours after the discovery of the event (Incident No. 111569).

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

Rqmt Prov: GOP No. O-00326 PERMIT
 Description: Failed to report deviations.

Effective Date: 10/25/2010 ADMINORDER 2009-1490-AIR-E

Classification: Major
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Condition 8 PERMIT
 Description: Failure to prevent the release of unauthorized air emissions

Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
 5C THSC Chapter 382 382.085(b)

Description: Failure to notify the TCEQ of a reportable emissions event within 24 hours after the discovery of the event

Effective Date: 02/20/2011 ADMINORDER 2010-1038-AIR-E

Classification: Major
 Citation: 30 TAC Chapter 101, SubChapter F 101.223(a)(1)(D)
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: CAP Provision 2. EECAP
 Docket No. 2008-1389-AIR-E, Prov. 2.d. ORDER

Description: Failure to implement all components of the CAP within the specified timeframe.

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	01/31/2007	(538646)
2	07/13/2007	(567631)
3	09/13/2007	(594150)
4	08/15/2008	(688291)
5	05/26/2009	(746807)
6	09/03/2009	(763885)
7	10/19/2009	(779339)
8	10/30/2009	(780180)
9	11/18/2009	(782564)
10	12/28/2009	(786361)
11	12/28/2009	(786598)
12	03/11/2010	(794694)

13 04/05/2010 (796601)
 14 06/17/2010 (824800)
 15 08/23/2010 (844179)
 16 11/30/2010 (879519)
 17 01/27/2011 (886935)
 18 01/28/2011 (893121)
 19 01/28/2011 (893478)
 20 05/12/2011 (893746)
 21 03/31/2011 (893748)
 22 03/01/2011 (900569)
 23 03/01/2011 (901256)
 24 03/28/2011 (906993)
 25 05/03/2011 (913081)
 26 05/04/2011 (914086)

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

Date: 07/18/2007 (567631) CN600127187
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.10(e)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to submit a 2006 annual emissions inventory update.

Date: 05/26/2009 (746807) CN600127187
 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 a certification of compliance with the terms and conditions of the Title V permit no later than 30 days after the end of the annual compliance certification period

Date: 08/23/2010 (844179) CN600127187
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THSC Chapter 382 382.085(b)
 Special Condition (b)(7)(B) OP
 Special Condition No. 7 PERMIT

Description: Failure to maintain records of SRU removal efficiency as indicated by the semi-annual deviation report, an alleged violation of 30 TAC 116.115(c), Permit No. 9824A, Special Condition No. 7, GOP No. O-00326, Special Condition (b)(7)(B), and 5C THSC §382.085(b).

Self Report? NO Classification: Minor

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

Description: Failure to report all instances of deviations no later than 30 days after the end of the compliance period is an alleged violation of 30 TAC §122.145(2), GOP No O-3226, Special Condition (b)(2), and 5C THSC §382.085(b).

Date: 03/02/2011 (900569) CN600127187
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THSC Chapter 382 382.085(b)
 9824A, Special Condition No. 10 PERMIT

Description: Failure to maintain annual emission limits for the dehydrator heater, an alleged violation of Permit No. 9824A, Special Condition 10, 30 TAC §116.115(c) and 5C THSC §382.085(b).

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THSC Chapter 382 382.085(b)
 9824 A, Special Condition No. 10 PERMIT

Description: Failure to maintain the CO short term emission limit of 1.06 lb/hr over a 24-hour period, an alleged violation of Permit No. 9824A, Special Condition No. 10, 30 TAC §116.115(c) and 5C THSC §382.085(b).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 O-3149, Special Condition No. 3A(iv)(3) OP

Description: Failure to maintain quarterly stack visible emission records, an alleged violation of Permit No. O-3149, SC 3A(iv)(3), 30 TAC §122.143(4) and 5C THSC §382.085(b).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
 5C THSC Chapter 382 382.085(b)

Description: Failure to submit prior authorization for installation of fugitive components on a new acid gas compressor, an alleged violation of 30 TAC §116.110(a) and 5C THSC §382.085(b).

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
BELVAN CORP.
RN100214022**

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

**AGREED ORDER
DOCKET NO. 2011-0783-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 Belvan Corp. (“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 processing plant approximately six miles east on United States (“U.S.”) Highway 190 from the State Highway 137 and U.S. Highway 190 intersection, near Ozona, Crockett 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 March 29, 2011, TCEQ staff documented the failure to submit a copy of the final record for a reportable emissions event for Incident No. 141009. Specifically, the incident began on June 11, 2010 and ended on June 15, 2010, and the final record was submitted on July 2, 2010, more than two weeks after the end of the emissions event.
4. During a record review on March 29, 2011, TCEQ staff documented the failure to prevent unauthorized emissions during an emissions event. Specifically, during an emissions event (Incident No. 141009) that began on June 11, 2010, and lasted approximately 88 hours, the Respondent released approximately 35,841 pounds ("lbs") of sulfur dioxide, 3 lbs of carbon monoxide, and 381 lbs of hydrogen sulfide from the process flare, Emission Point No. 2. The event occurred due to a significant weak spot on a line coming off the first sulfur condenser bed.
5. The Respondent received notice of the violations on May 17, 2011.
6. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant in order to prevent a recurrence of emissions events due to the same cause as Incident No. 141009:
 - a. On June 15, 2010, the Respondent replaced the weak line coming off the first sulfur condenser bed; and
 - b. By August 11, 2010, the Respondent shut down the sulfur recovery unit and began transporting the gas via pipeline to a permitted underground injection well for disposal.

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 submit a copy of the final record for a reportable emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(c) and TEX. HEALTH & SAFETY CODE § 382.085(b).
3. As evidenced by Findings of Fact No. 4, the Respondent failed to prevent unauthorized emissions during an emissions event, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 9824A Special Conditions No. 10, and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the final record of the emissions event was not submitted within two weeks after the end of the event, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
4. 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.

5. An administrative penalty in the amount of Forty Thousand Two Hundred Thirty Dollars (\$40,230) 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 Forty Thousand Two Hundred Thirty Dollar (\$40,230) 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 Forty Thousand Two Hundred Thirty Dollars (\$40,230) as set forth in Section II, Paragraph 5 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: Belvan Corp., Docket No. 2011-0783-AIR-E" to:

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

2. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement improvements to the emissions events recordkeeping/reporting system to ensure that final records of emissions events are submitted no later than two weeks after the end of the event; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

Air Section, Manager
San Angelo Regional Office
Texas Commission on Environmental Quality
622 South Oakes, Suite K
San Angelo, Texas 76903-7013

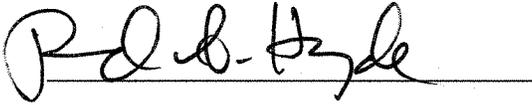
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any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



For the Executive Director

12/2/11

Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Belvan Corp. I am authorized to agree to the attached Agreed Order on behalf of Belvan Corp., 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, Belvan Corp. 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.



Signature

9-28-11

Date

J. L. Davis

Name (Printed or typed)
Authorized Representative of
Belvan Corp.



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.