

Choice Exploration, Inc.
RN105909899
Docket No. 2011-0718-AIR-E

Order Type:

Agreed Order

Findings Order Justification:

N/A

Media:

Air

Small Business:

No

Location(s) Where Violation(s) Occurred:

Private Road ("PR") 103, approximately 6.1 miles north from the intersection of PR 103 and Highway 90 East, Devers, Liberty County

Type of Operation:

oil and gas production site

Other Significant Matters:

Additional Pending Enforcement Actions:	None
Past-Due Penalties:	None
Past-Due Fees:	None
Other:	None
Interested Third-Parties:	None

Texas Register Publication Date: August 31, 2012

Comments Received: None

Penalty Information

Total Penalty Assessed: \$17,040

Total Paid to General Revenue: \$17,040

Total Due to General Revenue: \$0

SEP Conditional Offset: N/A

Compliance History Classifications:

Person/CN – Average
 Site/RN – Average by Default

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

Choice Exploration, Inc.
RN105909899
Docket No. 2011-0718-AIR-E

Investigation Information

Complaint Date(s): N/A
Date(s) of Investigation: February 15, 2011
Date(s) of NOV(s): N/A
Date(s) of NOE(s): April 28, 2011

Violation Information

1. Failed to obtain authorization to construct and operate a source of air emissions [TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b) and 30 TEX. ADMIN. CODE § 116.110(a)].
2. Failed to obtain a federal operating permit [TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b) and 30 TEX. ADMIN. CODE §§ 122.121 and 122.130(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

1. On April 14, 2011, installed a flare at the site, which lowered the potential to emit to 6.66 tons per year of volatile organic compounds (VOC) and controls the VOC emissions from the storage tank; and
2. On June 7, 2011, obtained Permit by Rule Registration No. 95978 authorizing the emissions at the Site.

Technical Requirements:

N/A

Litigation Information

Date Petition(s) Filed: December 21, 2011; July 18, 2012
Date Answer(s) Filed: January 11, 2012
SOAH Referral Date: February 24, 2012
Hearing Date(s):
Preliminary hearing: April 5, 2012
Evidentiary hearing: August 8, 2012 (scheduled)
Settlement Date: August 3, 2012

Contact Information

TCEQ Attorneys: Anna M. Treadwell, Litigation Division, (512) 239-3400
Lena Roberts, Litigation Division, (512) 239-3400
Eli Martinez, Public Interest Counsel, (512) 239-6363

TCEQ SEP Coordinator: N/A

TCEQ Enforcement Coordinator: James Nolan, Enforcement Division, (512) 239-6634

TCEQ Regional Contact: Jason Harris, Houston Regional Office, (713) 767-3600

Respondent: David Brooks, Chief Operating Officer, Choice Exploration, Inc., 2205 Yeargain Court, Southlake, Texas 76092

Respondent's Attorney: Clay Nance, Rash Chapman Schreiber Leaverton & Morrison, L.L.P., 2112 Rio Grande Street, Austin, Texas 78705-5513



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	2-May-2011	Screening	11-May-2011	EPA Due	21-Jan-2011
	PCW	12-Jul-2012				

RESPONDENT/FACILITY INFORMATION			
Respondent	Choice Exploration, Inc.		
Reg. Ent. Ref. No.	RN105909899		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	41619	No. of Violations	2
Docket No.	2011-0718-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Allison Fischer
		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	\$17,500
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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
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Notes	No adjustment for compliance history.
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Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes	The Respondent does not meet the culpability criteria.
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Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$2,125
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$2,023	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$6,500	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$15,375
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OTHER FACTORS AS JUSTICE MAY REQUIRE	10.8%	Adjustment	\$1,665
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes	Recommended enhancement to capture the avoided costs associated with Violation No. 2.
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Final Penalty Amount	\$17,040
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$17,040
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DEFERRAL	0.0% Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicted percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes	Deferral not offered for non-expedited settlement.
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PAYABLE PENALTY	\$17,040
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Screening Date 11-May-2011

Docket No. 2011-0718-AIR-E

PCW

Respondent Choice Exploration, Inc.

Case ID No. 41619

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105909899

Media [Statute] Air

Enf. Coordinator Allison Fischer

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 11-May-2011

Docket No. 2011-0718-AIR-E

PCW

Respondent Choice Exploration, Inc.

Policy Revision 2 (September 2002)

Case ID No. 41619

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105909899

Media [Statute] Air

Enf. Coordinator Allison Fischer

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.110(a) and Tex. Health & Safety Code §§ 382.0518(a) and 382.085(b)

Violation Description Failed to obtain authorization to construct and operate a source of air emissions. Specifically, the Respondent failed to comply with all of the conditions for the Permit by Rule for oil and gas production facilities.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 6

523 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$15,000

Six quarterly events are recommended based on the December 31, 2009 non-compliance date through the May 11, 2011 screening date.

Good Faith Efforts to Comply

10.0% Reduction

\$1,500

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

Notes

The Respondent returned to compliance on June 7, 2011 and the NOE is dated April 28, 2011.

Violation Subtotal \$13,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$358

Violation Final Penalty Total \$14,962

This violation Final Assessed Penalty (adjusted for limits) \$14,962

Economic Benefit Worksheet

Respondent Choice Exploration, Inc.
Case ID No. 41619
Reg. Ent. Reference No. RN105909899
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				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$5,000	31-Dec-2009	7-Jun-2011	1.43	\$358	n/a	\$358
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to obtain permit authorization. Date Required is the first date of non-compliance 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

\$5,000

TOTAL

\$358

Screening Date 11-May-2011

Docket No. 2011-0718-AIR-E

PCW

Respondent Choice Exploration, Inc.

Policy Revision 2 (September 2002)

Case ID No. 41619

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105909899

Media [Statute] Air

Enf. Coordinator Allison Fischer

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 122.121 and 122.130(b) and Tex. Health & Safety Code §§ 382.054 and 382.085(b)

Violation Description Failed to obtain a federal operating permit. Specifically, the Site exceeded the 25 tons per year major source threshold in calendar year 2009 when emissions reached 26.2143 tons of volatile organic compounds.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
	x			25%

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 469 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$2,500

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction \$625

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

Notes The Respondent returned to compliance on April 14, 2011 and the NOE is dated April 28, 2011.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,665

Violation Final Penalty Total \$2,078

This violation Final Assessed Penalty (adjusted for limits) \$2,078

Economic Benefit Worksheet

Respondent Choice Exploration, Inc.
Case ID No. 41619
Reg. Ent. Reference No. RN105909899
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)				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]	\$1,500	31-Dec-2009	14-Apr-2011	2.20	\$165	\$1,500	\$1,665
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Avoided costs for obtaining a federal operating permit. The date required is the date of non-compliance.
The final date is the date of compliance.

Approx. Cost of Compliance \$1,500

TOTAL \$1,665

Compliance History

Customer/Respondent/Owner-Operator: CN603505561 Choice Exploration, Inc. Classification: AVERAGE Rating: 3.01
Regulated Entity: RN105909899 IMPERIAL 1 COMPRESSOR STATION Classification: AVERAGE Site Rating: 3.01
BY DEFAULT
ID Number(s): AIR NEW SOURCE PERMITS REGISTRATION 95978
AIR NEW SOURCE PERMITS AFS NUM 4829100107
AIR NEW SOURCE PERMITS ACCOUNT NUMBER LHA021U
AIR EMISSIONS INVENTORY ACCOUNT NUMBER LHA021U
Location: 6.1 MILES NORTH OF HIGHWAY 90 ON PRIVATE ROAD 103 IN DEVERS, LIBERTY COUNTY, TEXAS
TCEQ Region: REGION 12 - HOUSTON
Date Compliance History Prepared: May 09, 2011
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: May 09, 2006 to May 09, 2011
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Allison Fischer Phone: (512) 239 - 2574

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 04/28/2011 (900253)
 - 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

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CHOICE EXPLORATION, INC.;
RN105909899**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER

DOCKET NO. 2011-0718-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties (the "Agreed Order"), resolving an enforcement action regarding Choice Exploration, Inc. ("Respondent") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and Respondent, represented by Clay Nance of the law firm Rash Chapman Schreiber Leaverton & Morrison, L.L.P., together stipulate that:

1. Respondent owns and operates an oil and gas production site located on Private Road ("PR") 103 approximately 6.1 miles north from the intersection of PR 103 and Highway 90 East in Devers, Liberty County, Texas (the "Site"). The Site consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. The Executive Director and Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that Respondent is subject to the Commission's jurisdiction.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of seventeen thousand forty dollars (\$17,040.00) is assessed by the Commission in settlement of the violations alleged in Section II. Respondent paid seventeen thousand forty dollars (\$17,040.00) of the administrative penalty.
6. 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.
7. The Executive Director and Respondent agree on a settlement of the matters addressed in this Agreed Order, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).

8. The Executive Director recognizes that Respondent implemented the following corrective measures at the Site:
 - a. On April 14, 2011, installed a flare at the Site, which lowered the potential to emit to 6.66 tons per year of volatile organic compounds ("VOC") and controls the VOC emissions from the storage tank; and
 - b. On June 7, 2011, obtained Permit By Rule Registration No. 95978 authorizing the emissions at the Site.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Respondent has not complied with one or more of the terms or conditions contained in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable, and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

1. During an investigation conducted on February 15, 2011, a TCEQ Houston Regional Office investigator documented that Respondent:
 - a. Failed to obtain authorization to construct and operate a source of air emissions, in violation of TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b) and 30 TEX. ADMIN. CODE § 116.110(a). Specifically, Respondent failed to comply with all of the conditions for the Permit by Rule for oil and gas production facilities; and
 - b. Failed to obtain a federal operating permit, in violation of TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b) and 30 TEX. ADMIN. CODE §§ 122.121 and 122.130(b). Specifically, the Site exceeded the 25 tons per year major source threshold in calendar year 2009 when emissions reached 26.2143 tons of VOCs.
2. Respondent received notice of the violations on or about May 3, 2011.

III. DENIALS

Respondent generally denies each Allegation in Section II.

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Respondent pay an administrative penalty as set forth in Section I, Paragraph 5. The payment of this administrative penalty and 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 considering or requiring corrective actions or penalties for violations which are not raised here.
2. All relief not expressly granted in this Agreed Order is denied.
3. The duties and provisions imposed by this Agreed Order shall apply to and be binding upon Respondent. Respondent is ordered to give notice of this Agreed Order to personnel who maintain day-to-day control over the Site operations referenced in this Agreed Order.
4. If 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, Respondent's failure to comply is not a violation of this Agreed Order. Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Respondent shall notify the Executive Director within seven days after 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 Respondent shall be made in writing to the Executive Director. Extensions are not effective until Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive

Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission" "owner" "person" "writing" and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. Pursuant to 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand delivery of this Agreed Order to Respondent, or three days after the date on which the Commission mails a copy of the fully executed Agreed Order to Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

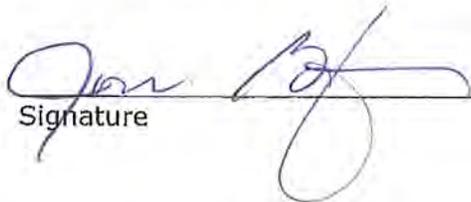
September 17, 2012
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that I am authorized to agree to the attached Agreed Order on behalf of Choice Exploration, Inc., 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 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;
- 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, I understand that any falsification of any compliance documents may result in criminal prosecution.



Signature

8.3.12
Date

Jon Griffin

Name (Printed or typed)
Authorized representative of
Choice Exploration, Inc.

VP, LAND & LEGAL

Title