

**Executive Summary – Enforcement Matter – Case No. 42584
Cowtown Gas Processing Partners L.P.
RN104600754
Docket No. 2011-1730-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Cowtown Gas Processing Plant, 2400 County Road 326, Hood County

Type of Operation:

Gas compression and treatment plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: February 24, 2012

Comments Received: No

Penalty Information

Total Penalty Assessed: \$19,170

Amount Deferred for Expedited Settlement: \$3,834

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$0

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$15,336

Name of SEP: Texas Air Monitoring Network SEP

Compliance History Classifications:

Person/CN - Average

Site/RN - High

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

Executive Summary – Enforcement Matter – Case No. 42584
Cowtown Gas Processing Partners L.P.
RN104600754
Docket No. 2011-1730-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: May 18, 2011

Date(s) of NOE(s): August 30, 2011

Violation Information

1. Failed to comply with the annual allowable emissions rate. Specifically, according to the emissions inventory for calendar year 2009, the Respondent exceeded the annual allowable emissions rates at Unit ID Nos. H-05, H-04A, and H-04B, resulting in a total unauthorized release of 0.07 ton per year (“tpy”) of nitrogen oxides (“NO_x”), 0.034 tpy of particulate matter equal to or less than 10 microns in size (“PM₁₀”), and 0.05 tpy of carbon monoxide (“CO”) [30 TEX. ADMIN. CODE §§ 116.615(2) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Standard Permit No. 82961, Maximum Allowable Emissions Rates Table (“MAERT”), and Federal Operating Permit (“FOP”) No. O2847/General Operating Permit (“GOP”) No. 514, Site-wide Requirements (b)(2) and (b)(7)(B)].
2. Failed to maintain sufficient data to demonstrate compliance with allowable emissions rates. Specifically, the Respondent did not have records of emissions data for glycol reboilers H-04A and H-04B [30 TEX. ADMIN. CODE §§ 116.615(8) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Standard Permit No. 82961, MAERT, and FOP No. O2847/GOP No. 514, Site-wide Requirements (b)(2) and (b)(7)(B)].
3. Failed to conduct quarterly visible emissions observations of stationary vents from emissions units. Specifically, between the second quarter of 2009 and the first quarter of 2011, visible emissions observations were not conducted [30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O2847/GOP No. 514, Site-wide Requirements (b)(2) and (b)(9)(B)(iv)(a)].
4. Failed to report all instances of deviations. Specifically, exceedances of the annual allowable emissions rates for calendar year 2009, the failure to maintain records demonstrating compliance for glycol reboilers H-04A and H-04B, and the failure to conduct quarterly visible emissions observations for stationary vents were not included in the semi-annual deviation reports for the reporting periods of July 25, 2009 to January 24, 2010, January 25, 2010 to July 24, 2010, and July 25, 2010 to January 24, 2011 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O2847/GOP No. 514, Site-wide Requirements (b)(2)].

Executive Summary – Enforcement Matter – Case No. 42584
Cowtown Gas Processing Partners L.P.
RN104600754
Docket No. 2011-1730-AIR-E

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

- a. On May 18, 2011, the Respondent began conducting quarterly visible emissions observations of stationary vents from emissions units;
- b. On October 12, 2011, the Respondent submitted records and calculations of emissions data for glycol reboilers H-04A and H-04B; and
- c. On January 12, 2012, the Respondent completed training on the proper procedures for FOP reporting requirements.

Technical Requirements:

1. The Order will require the Respondent to implement and complete a Supplemental Environmental Project (“SEP”). (See SEP Attachment A)
2. The Order will also require the Respondent to:
 - a. Within 30 days, submit an administratively complete permit amendment application to amend Standard Permit No. 82961 to increase the allowable emissions rates for NO_x, PM₁₀, and CO at Unit ID Nos. H-05, H-04A, and H-04B;
 - b. Within 45 days, submit written certification as described in Ordering Provision d. to demonstrate compliance with Ordering Provision a.;
 - c. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the amendment application within 30 days after the date of such requests, or by any other deadline specified in writing;
 - d. Within 180 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
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: John Muennink, Enforcement Division,
Enforcement Team 5, MC R-12, (713) 422-8970; Debra Barber, Enforcement Division,
MC 219, (512) 239-0412

Executive Summary – Enforcement Matter – Case No. 42584
Cowtown Gas Processing Partners L.P.
RN104600754
Docket No. 2011-1730-AIR-E

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division,
MC 219, (512) 239-3565

Respondent: Dan Kabylnski, Vice President of Operations, Cowtown Gas Processing
Partners L.P., 801 Cherry Street, Suite 3400, Fort Worth, Texas 76102

Matthew Norton, Health & Safety Environmental & Regulatory Manager, Cowtown Gas
Processing Partners L.P., 801 Cherry Street, Suite 3400, Fort Worth, Texas 76102

Respondent's Attorney: N/A

Attachment A
Docket Number: 2011-1730-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Cowtown Gas Processing Partners L.P.

Penalty Amount: Fifteen Thousand Three Hundred Thirty-Six Dollars (\$15,336)

SEP Offset Amount: Fifteen Thousand Three Hundred Thirty-Six Dollars (\$15,336)

Type of SEP: Pre-approved

Third-Party Recipient: University of Texas Arlington

Project Name: Texas Air Monitoring Network SEP

Location of SEP: Air Control Regions 215, 210 and 212; TCEQ Regions 3, 4 and 9; and Archer, Coryell, Bosque, Clay, Cooke, Dallas, Denton, Eastland, Ellis, Erath, Hamilton, Hill, Hood, Jack, Johnson, Montague, Parker, Palo Pinto, Shackelford, Stephens, Somerell, Tarrant, and Wise Counties (preference for Tarrant County)

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset the Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to the University of Texas at Arlington for the *Texas Air Monitoring Network SEP* to be used as set forth in an agreement between the Third-Party Recipient and the TCEQ (the "Project"). Specifically, SEP funds will be used to construct, operate, maintain, and potentially expand a network of continuous ambient monitoring stations ("CAMS") that monitor both air toxics and ozone precursors. Each CAMS will feature an automated gas-chromatograph ("Auto GC") which shall monitor ambient air for chemical compounds that could potentially affect human health and welfare and ozone formation. The current target analyte list for each Auto GC includes approximately 48 parameters. An oxides of nitrogen monitor, sulfur dioxide monitor and meteorological data instruments may also be installed at sites in the future upon approval from TCEQ.

Specifically, SEP Funds shall be used for site preparation, equipment purchase, operation and maintenance of an air monitoring network in the state of Texas in order to provide information on data quality and trends to the public, TCEQ, and industry representatives. Contingent upon

Cowtown Gas Processing Partners L.P.
Agreed Order - Attachment A

funding and priorities, each of the CAMS locations shall measure air quality for a variety of parameters. Hourly measurements shall be reported for approximately 48 parameters that participate in the formation of ground level ozone and several of which are designated by the EPA as Hazardous Air Pollutants ("HAPs"). The speciated measurements shall be made using an Auto GC. In the future at TCEQ's direction, both 5-minute and hourly averaged measurements of oxides of nitrogen, nitric oxide, and nitrogen dioxide, ozone, sulfur dioxide and meteorological parameters (i.e., wind speed, wind direction, horizontal wind standard deviation, wind gust, net radiation, and outside air temperature) may be measured and reported. Other parameters may be considered dependent upon funding. The data from this program shall be collected, validated and quality assured using methodologies consistent with TCEQ standards. Available data from each CAMS shall be uploaded every 15 minutes via a web based portal directly to TCEQ's air quality information database which TCEQ may make available to the public via the TCEQ public web site.

The SEP shall be conducted under a TCEQ-approved Quality Assurance Project Plan containing all applicable EPA QA-R5 elements. Analysis of all data collected from these sites will comply with standard operating procedures for the analysis and measurement of air toxics and ozone precursors in ambient air. The laboratory data generated by this project will be from a TCEQ accredited laboratory in compliance with state laws and rules regarding use of certified or accredited testing laboratories. For example, data submitted must comply with 30 Texas Administrative Code, Chapter 25, Subchapter A, relating to Environmental Testing Laboratory Accreditation and Certification, as amended, where applicable. The data collected using SEP Funds will be validated and sent to TCEQ's Leading Environmental Analysis and Display ("LEADS") system and EPA's Air Quality System ("AQS"). All costs associated with the collection, transfer, and formatting of this data to be compatible with the LEADS system and the AQS may utilize SEP funds.

All dollars contributed will be used solely for the direct cost of the Project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action.

b. Environmental Benefit

This air monitoring project will provide data to help prevent pollution and reduce the amount of pollutants reaching the environment. Data from these monitors may be used to evaluate the effectiveness of current emission control strategies, track ambient concentration trends for key pollutants of interest, evaluate episodic emission events, conduct source attribution studies, support enforcement actions and assess potential community exposure to toxic air contaminants.

This SEP will collect data sets that can be used to evaluate and track air pollution emission events as they occur, and to assess potential ambient community exposure to a limited number of HAPs. Data from the monitors will be used with data from other monitors to provide critical

Cowtown Gas Processing Partners L.P.
Agreed Order - Attachment A

information that can be used to evaluate the effectiveness of current and proposed emission control strategies aimed at achieving compliance with the National Ambient Air Quality Standards requirements. The data will also provide a key source of information that is essential to furthering an overall understanding of those emission sources that contribute to ambient community exposure to toxic air contaminants. Another key benefit is the ability to measure the change in the ambient air concentration of the individual target species and quantify control measure effectiveness. Data from these monitors may be publicly accessible through the TCEQ's website and may be used in evaluating air quality in the area, including ozone forecasts, and ozone warnings.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order to:

University of Texas at Arlington
Attention: Lisa London, Executive Director
Division for Enterprise Development
140 West Mitchell Street
Arlington, Texas 76019-0197

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the TCEQ Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Offset Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Offset Amount.

Cowtown Gas Processing Partners L.P.
Agreed Order - Attachment A

In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall mail it to:

Texas Commission on Environmental Quality
Office of Legal Services
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the Project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

ICEQ

DATES	Assigned	6-Sep-2011	Screening	21-Sep-2011	EPA Due	
	PCW	4-Jan-2012				

RESPONDENT/FACILITY INFORMATION

Respondent	Cowtown Gas Processing Partners L.P.				
Reg. Ent. Ref. No.	RN104600754				
Facility/Site Region	4-Dallas/Fort Worth	Major/Minor Source	Major		

CASE INFORMATION

Enf./Case ID No.	42584	No. of Violations	4
Docket No.	2011-1730-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	John Muennink
Admin. Penalty \$ Limit Minimum	\$0	EC's Team	Enforcement Team 5
Maximum	\$10,000		

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$21,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **2.0%** Enhancement **Subtotals 2, 3, & 7** **\$420**

Notes: Enhancement for one NOV with same/similar violations. Reduction for one notice of intent to conduct an audit submitted and one disclosure of violations.

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** **\$2,250**

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

Total EB Amounts **\$330**
 Approx. Cost of Compliance **\$7,500**
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$19,170**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$19,170**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$19,170**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$3,834**

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

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$15,336**

Screening Date 21-Sep-2011

Docket No. 2011-1730-AIR-E

PCW

Respondent Cowtown Gas Processing Partners L.P.

Policy Revision 2 (September 2002)

Case ID No. 42584

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN104600754

Media [Statute] Air

Enf. Coordinator John Muennink

Compliance History Worksheet

>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	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 judgments 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>)	1	-1%
	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>)	1	-2%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2)

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

Adjustment Percentage (Subtotal 3)

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

Adjustment Percentage (Subtotal 7)

>> **Compliance History Summary**

Compliance History Notes

Enhancement for one NOV with same/similar violations. Reduction for one notice of intent to conduct an audit submitted and one disclosure of violations.

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

Screening Date 21-Sep-2011

Docket No. 2011-1730-AIR-E

PCW

Respondent Cowtown Gas Processing Partners L.P.

Policy Revision 2 (September 2002)

Case ID No. 42584

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN104600754

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.615(2) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Standard Permit No. 82961, Maximum Allowable Emissions Rates Table ("MAERT"), and Federal Operating Permit ("FOP") No. O2847/General Operating Permit ("GOP") No. 514, Site-wide Requirements (b)(2) and (b)(7)(B)

Violation Description Failed to comply with the annual allowable emissions rate, as documented during an investigation conducted on May 18, 2011, and shown in the attached table. Specifically, according to the emissions inventory for calendar year 2009, the Respondent exceeded the annual allowable emissions rates at Unit ID Nos. H-05, H-04A, and H-04B, resulting in a total unauthorized release of 0.07 ton per year ("tpy") of nitrogen oxides, 0.034 tpy of particulate matter equal to or less than 10 microns in size, and 0.05 tpy of carbon monoxide.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 3

365 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	X
single event	

mark only one with an x

Violation Base Penalty \$7,500

Three annual events are recommended (one per unit).

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 \$7,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$301

Violation Final Penalty Total \$7,650

This violation Final Assessed Penalty (adjusted for limits) \$7,650

Economic Benefit Worksheet

Respondent Cowtown Gas Processing Partners L.P.
Case ID No. 42584
Rea. Ent. Reference No. RN104600754
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

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	\$5,000	18-May-2011	31-Jul-2012	1.21	\$301	n/a	\$301
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to submit a permit amendment application to increase allowable emissions rates. The Date Required is the date of the investigation. The Final Date is date that corrective measures are estimated to be completed.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$301

Screening Date 21-Sep-2011

Docket No. 2011-1730-AIR-E

PCW

Respondent Cowtown Gas Processing Partners L.P.

Policy Revision 2 (September 2002)

Case ID No. 42584

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN104600754

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.615(8) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Standard Permit No. 82961, MAERT, and FOP No. O2847/GOP No. 514, Site-wide Requirements (b)(2) and (b)(7)(B)

Violation Description

Failed to maintain sufficient data to demonstrate compliance with allowable emissions rates, as documented during an investigation conducted on May 18, 2011. Specifically, the Respondent did not have records of emissions data for glycol reboilers H-04A and H-04B.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

730 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 for the failure to maintain records.

Good Faith Efforts to Comply

10.0% Reduction

\$250

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

Notes

The Respondent came into compliance on October 12, 2011, after the August 30, 2011 NOE.

Violation Subtotal \$2,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5

Violation Final Penalty Total \$2,300

This violation Final Assessed Penalty (adjusted for limits) \$2,300

Economic Benefit Worksheet

Respondent Cowtown Gas Processing Partners L.P.
Case ID No. 42584
Req. Ent. Reference No. RN104600754
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)	\$250	18-May-2011	12-Oct-2011	0.40	\$5	n/a	\$5

Notes for DELAYED costs

Estimated expense to maintain records demonstrating compliance for glycol reboilers H-04A and H-04B. The Date Required is the date of the investigation. The Final Date is the date that the Respondent came into compliance.

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

\$250

TOTAL

\$5

Screening Date 21-Sep-2011

Docket No. 2011-1730-AIR-E

PCW

Respondent Cowtown Gas Processing Partners L.P.

Policy Revision 2 (September 2002)

Case ID No. 42584

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN104600754

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code § 122.143(4), Tex. Health & Safety Code § 382.085(b), and FOP No. 02847/GOP No. 514, Site-wide Requirements (b)(2) and (b)(9)(B)(iv)(a)

Violation Description

Failed to conduct quarterly visible emissions observations of stationary vents from emissions units, as documented during an investigation conducted on May 18, 2011. Specifically, between the second quarter of 2009 and the first quarter of 2011, visible emissions observations were not conducted.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 8

8 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$8,000

Eight single events are recommended for each quarter in which observations were not conducted.

Good Faith Efforts to Comply

25.0% Reduction

\$2,000

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

Notes

The Respondent came into compliance on May 18, 2011, prior to the August 30, 2011 NOE date.

Violation Subtotal \$6,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$6,160

This violation Final Assessed Penalty (adjusted for limits) \$6,160

Economic Benefit Worksheet

Respondent Cowtown Gas Processing Partners L.P.
Case ID No. 42584
Req. Ent. Reference No. RN104600754
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)	\$2,000	18-May-2011	18-May-2011	0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to implement measures and/or procedures to ensure that quarterly visible emissions observations are conducted. The Date Required is the date of the investigation. The Final Date is the date that corrective measures were completed.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$0

Screening Date 21-Sep-2011

Docket No. 2011-1730-AIR-E

PCW

Respondent Cowtown Gas Processing Partners L.P.

Policy Revision 2 (September 2002)

Case ID No. 42584

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN104600754

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b), and FOP No. O2847/GOP No. 514, Site-wide Requirements (b)(2)

Violation Description

Failed to report all instances of deviations, as documented during an investigation conducted on May 18, 2011. Specifically, exceedances of the annual allowable emissions rates for calendar year 2009, the failure to maintain records demonstrating compliance for glycol reboilers H-04A and H-04B, and the failure to conduct quarterly visible emissions observations for stationary vents were not included in the semi-annual deviation reports for the reporting periods of July 25, 2009 to January 24, 2010, January 25, 2010 to July 24, 2010, and July 25, 2010 to January 24, 2011.

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 10%

Matrix Notes

The Respondent met between 30% and 70% of the rule requirement.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 3

517 Number of violation days

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

Violation Base Penalty \$3,000

Three single events are recommended for the three deficient reports.

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 \$3,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$24

Violation Final Penalty Total \$3,060

This violation Final Assessed Penalty (adjusted for limits) \$3,060

Economic Benefit Worksheet

Respondent Cowtown Gas Processing Partners L.P.
Case ID No. 42584
Reg. Ent. Reference No. RN104600754
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

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	\$250	24-Feb-2010	12-Jan-2012	1.88	\$24	n/a	\$24
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to implement measures and/or procedures to ensure the proper submittal of semi-annual deviation reports. The Date Required is the date that the first report was due. The Final Date is the date that corrective measures were 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

\$250

TOTAL

\$24

Cowtown Gas Processing Partners L.P.
Case No. 42584, RN104600754
Violation No. 1

Unit ID	Pollutant	Allowable (tpy)	Total Released (tpy)	Total Unauthorized (tpy)
H-05				
	PM ₁₀	0.64	0.66	0.02
H-04A				
	NO _x	0.84	0.875	0.035
	CO	0.71	0.735	0.025
	PM ₁₀	0.06	0.067	0.007
H-04B				
	NO _x	0.84	0.875	0.035
	CO	0.71	0.735	0.025
	PM ₁₀	0.06	0.067	0.007

particulate matter equal to or less than 10 microns in size - PM₁₀

sulfur dioxide - SO₂

nitrogen oxide - NO_x

carbon monoxide - CO

volatile organic compounds - VOC

tons per year - tpy

Compliance History

Customer/Respondent/Owner-Operator: CN603246950 Cowtown Gas Processing Partners L.P. Classification: AVERAGE Rating: 0.50
Regulated Entity: RN104600754 COWTOWN GAS PROCESSING PLANT Classification: HIGH Site Rating: 0.00

ID Number(s): AIR NEW SOURCE PERMITS AFS NUM 4822100694
AIR NEW SOURCE PERMITS ACCOUNT NUMBER HQA001A
AIR NEW SOURCE PERMITS REGISTRATION 82961
AIR OPERATING PERMITS PERMIT 2847
AIR EMISSIONS INVENTORY ACCOUNT NUMBER HQA001A

Location: 2400 COUNTY ROAD 326, HOOD COUNTY, TX

TCEQ Region: REGION 04 - DFW METROPLEX

Date Compliance History Prepared: September 14, 2011

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: September 14, 2006 to September 14, 2011

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

Name: John Muennink Phone: (713) 422-8970

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: 9/1/2011 Repeat Violator: NO

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.
N/A

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

C. Chronic excessive emissions events.
N/A

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

1	03/15/2007	(542621)
2	04/26/2007	(554622)
3	05/17/2007	(557500)
4	04/22/2008	(650595)
5	08/27/2008	(687546)
6	11/14/2008	(702720)
7	01/14/2009	(722457)
8	06/08/2009	(745234)
9	11/18/2009	(783096)
10	01/21/2010	(785730)
11	11/17/2010	(865894)
12	12/04/2010	(872733)
13	08/30/2011	(937005)

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

Date: 01/25/2010 (785730)

CN603246950

Self Report? NO 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 emissions tests on Compressor Engines COMP-13, COMP-14, COMP-16, and COMP-17 in a timely manner according to the schedule set forth under 30 TAC 106.512.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.144(1)
5C THSC Chapter 382 382.085(b)

Description: Failure to maintain records of quarterly visible emissions observation on flares, compressor engines, reboilers, and heaters, as required by General Operating Permit 514(b)(8)(B)(iv)(c).

F. Environmental audits.

Notice of Intent Date: 03/05/2008 (640808)

Disclosure Date: 12/31/2008

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7

Description: Failure to submit initial notification of start of construction for NSPS JJJJ affected engines.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.8(a)

Description: Failure to conduct engine testing for NSPS JJJJ per the required schedule.

Viol. Classification: Moderate

Rqmt Prov: PERMIT 40 CFR 60.4243

Description: Failure to maintain NSPS JJJJ engines maintenance plan and records.

Viol. Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.132(e)

Description: Failure to remove the temporary non-road natural gas fired pump at the salt water disposal well within one year.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter K 106.263(g)

30 TAC Chapter 106, SubChapter W 106.512(2)(C)(ii)

30 TAC Chapter 117, SubChapter G 117.8140

Description: Failure to maintain records demonstrating compliance with MSS requirements and engine testing.

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
COWTOWN GAS PROCESSING
PARTNERS L.P.
RN104600754**

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

**AGREED ORDER
DOCKET NO. 2011-1730-AIR-E**

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Cowtown Gas Processing Partners 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 appear before the Commission and together stipulate that:

1. The Respondent owns and operates a gas compression and treatment plant at 2400 County Road 326 in Hood County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about September 4, 2011.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Nineteen Thousand One Hundred Seventy Dollars (\$19,170) is assessed by the Commission in settlement of the violations alleged in

Section II ("Allegations"). Three Thousand Eight Hundred Thirty-Four Dollars (\$3,834) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Fifteen Thousand Three Hundred Thirty-Six Dollars (\$15,336) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that:
 - a. On May 18, 2011, the Respondent began conducting quarterly visible emissions observations of stationary vents from emissions units;
 - b. On October 12, 2011, the Respondent submitted records and calculations of emissions data for glycol reboilers H-04A and H-04B; and
 - c. On January 12, 2012, the Respondent completed training on the proper procedures for Federal Operating Permit ("FOP") reporting requirements.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

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

1. Failed to comply with the annual allowable emissions rate, in violation of 30 TEX. ADMIN. CODE §§ 116.615(2) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Standard Permit No. 82961, Maximum Allowable Emissions Rates Table ("MAERT"), and FOP No. O2847/General Operating Permit ("GOP") No. 514, Site-wide Requirements (b)(2) and (b)(7)(B), as documented during an investigation conducted on May 18, 2011, and shown in the following table. Specifically, according to the emissions inventory for calendar

year 2009, the Respondent exceeded the annual allowable emissions rates at Unit ID Nos. H-05, H-04A, and H-04B, resulting in a total unauthorized release of 0.07 ton per year ("tpy") of nitrogen oxides ("NO_x"), 0.034 tpy of particulate matter equal to or less than 10 microns in size ("PM₁₀"), and 0.05 tpy of carbon monoxide ("CO").

Unit ID	Pollutant	Allowable (tpy)	Total Released (tpy)	Total Unauthorized (tpy)
H-05				
	PM ₁₀	0.64	0.66	0.02
H-04A				
	NO _x	0.84	0.875	0.035
	CO	0.71	0.735	0.025
	PM ₁₀	0.06	0.067	0.007
H-04B				
	NO _x	0.84	0.875	0.035
	CO	0.71	0.735	0.025
	PM ₁₀	0.06	0.067	0.007

- Failed to maintain sufficient data to demonstrate compliance with allowable emissions rates, in violation of 30 TEX. ADMIN. CODE §§ 116.615(8) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Standard Permit No. 82961, MAERT, and FOP No. O2847/GOP No. 514, Site-wide Requirements (b)(2) and (b)(7)(B), as documented during an investigation conducted on May 18, 2011. Specifically, the Respondent did not have records of emissions data for glycol reboilers H-04A and H-04B.
- Failed to conduct quarterly visible emissions observations of stationary vents from emissions units, in violation of 30 TEX. ADMIN. CODE § 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O2847/GOP No. 514, Site-wide Requirements (b)(2) and (b)(9)(B)(iv)(a), as documented during an investigation conducted on May 18, 2011. Specifically, between the second quarter of 2009 and the first quarter of 2011, visible emissions observations were not conducted.
- Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O2847/GOP No. 514, Site-wide Requirements (b)(2), as documented during an investigation conducted on May 18, 2011. Specifically, exceedances of the annual allowable emissions rates for calendar year 2009, the failure to maintain records demonstrating compliance for glycol reboilers H-04A and H-04B, and the failure to conduct quarterly visible emissions observations for stationary vents were not included in the semi-annual deviation reports for the reporting periods of July 25, 2009 to January 24, 2010, January 25, 2010 to July 24, 2010, and July 25, 2010 to January 24, 2011.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Cowtown Gas Processing Partners L.P., Docket No. 2011-1730-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 implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Fifteen Thousand Three Hundred Thirty-Six Dollars (\$15,336) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

3. 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, submit an administratively complete permit amendment application to amend Standard Permit No. 82961 to increase the allowable emissions rates for NO_x, PM₁₀, and CO at Unit ID Nos. H-05, H-04A, and H-04B, in accordance with 30 TEX. ADMIN. CODE § 116.111 to:

Air Permits Division, MC 162
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 3.d. to demonstrate compliance with Ordering Provision No. 3.a.;

- c. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the amendment application within 30 days after the date of such requests, or by any other deadline specified in writing;
- d. Within 180 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 that either a permit amendment has been obtained or that operations have ceased until compliance with the current allowable emissions rates have been achieved. 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
Dallas/Fort Worth Regional Office
Texas Commission on Environmental Quality
2309 Gravel Drive
Fort Worth, Texas 76118-6951

4. 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.
5. 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.

6. 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.
7. 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.
8. 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.
9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

[Handwritten Signature]

For the Executive Director

3/2/12
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

[Handwritten Signature]
Signature

1-19-2012
Date

DAN KOBYLINSKI
Name (Printed or typed)
Authorized Representative of
Cowtown Gas Processing Partners L.P.

V.P. OPERATIONS
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.

Attachment A
Docket Number: 2011-1730-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Cowtown Gas Processing Partners L.P.

Penalty Amount: Fifteen Thousand Three Hundred Thirty-Six Dollars (\$15,336)

SEP Offset Amount: Fifteen Thousand Three Hundred Thirty-Six Dollars (\$15,336)

Type of SEP: Pre-approved

Third-Party Recipient: University of Texas Arlington

Project Name: Texas Air Monitoring Network SEP

Location of SEP: Air Control Regions 215, 210 and 212; TCEQ Regions 3, 4 and 9; and Archer, Coryell, Bosque, Clay, Cooke, Dallas, Denton, Eastland, Ellis, Erath, Hamilton, Hill, Hood, Jack, Johnson, Montague, Parker, Palo Pinto, Shackelford, Stephens, Somerell, Tarrant, and Wise Counties (preference for Tarrant County)

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset the Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to the University of Texas at Arlington for the *Texas Air Monitoring Network SEP* to be used as set forth in an agreement between the Third-Party Recipient and the TCEQ (the “Project”). Specifically, SEP funds will be used to construct, operate, maintain, and potentially expand a network of continuous ambient monitoring stations (“CAMS”) that monitor both air toxics and ozone precursors. Each CAMS will feature an automated gas-chromatograph (“Auto GC”) which shall monitor ambient air for chemical compounds that could potentially affect human health and welfare and ozone formation. The current target analyte list for each Auto GC includes approximately 48 parameters. An oxides of nitrogen monitor, sulfur dioxide monitor and meteorological data instruments may also be installed at sites in the future upon approval from TCEQ.

Specifically, SEP Funds shall be used for site preparation, equipment purchase, operation and maintenance of an air monitoring network in the state of Texas in order to provide information on data quality and trends to the public, TCEQ, and industry representatives. Contingent upon

Cowtown Gas Processing Partners L.P.
Agreed Order - Attachment A

funding and priorities, each of the CAMS locations shall measure air quality for a variety of parameters. Hourly measurements shall be reported for approximately 48 parameters that participate in the formation of ground level ozone and several of which are designated by the EPA as Hazardous Air Pollutants ("HAPs"). The speciated measurements shall be made using an Auto GC. In the future at TCEQ's direction, both 5-minute and hourly averaged measurements of oxides of nitrogen, nitric oxide, and nitrogen dioxide, ozone, sulfur dioxide and meteorological parameters (i.e., wind speed, wind direction, horizontal wind standard deviation, wind gust, net radiation, and outside air temperature) may be measured and reported. Other parameters may be considered dependent upon funding. The data from this program shall be collected, validated and quality assured using methodologies consistent with TCEQ standards. Available data from each CAMS shall be uploaded every 15 minutes via a web based portal directly to TCEQ's air quality information database which TCEQ may make available to the public via the TCEQ public web site.

The SEP shall be conducted under a TCEQ-approved Quality Assurance Project Plan containing all applicable EPA QA-R5 elements. Analysis of all data collected from these sites will comply with standard operating procedures for the analysis and measurement of air toxics and ozone precursors in ambient air. The laboratory data generated by this project will be from a TCEQ accredited laboratory in compliance with state laws and rules regarding use of certified or accredited testing laboratories. For example, data submitted must comply with 30 Texas Administrative Code, Chapter 25, Subchapter A, relating to Environmental Testing Laboratory Accreditation and Certification, as amended, where applicable. The data collected using SEP Funds will be validated and sent to TCEQ's Leading Environmental Analysis and Display ("LEADS") system and EPA's Air Quality System ("AQS"). All costs associated with the collection, transfer, and formatting of this data to be compatible with the LEADS system and the AQS may utilize SEP funds.

All dollars contributed will be used solely for the direct cost of the Project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action.

b. Environmental Benefit

This air monitoring project will provide data to help prevent pollution and reduce the amount of pollutants reaching the environment. Data from these monitors may be used to evaluate the effectiveness of current emission control strategies, track ambient concentration trends for key pollutants of interest, evaluate episodic emission events, conduct source attribution studies, support enforcement actions and assess potential community exposure to toxic air contaminants.

This SEP will collect data sets that can be used to evaluate and track air pollution emission events as they occur, and to assess potential ambient community exposure to a limited number of HAPs. Data from the monitors will be used with data from other monitors to provide critical

Cowtown Gas Processing Partners L.P.
Agreed Order - Attachment A

information that can be used to evaluate the effectiveness of current and proposed emission control strategies aimed at achieving compliance with the National Ambient Air Quality Standards requirements. The data will also provide a key source of information that is essential to furthering an overall understanding of those emission sources that contribute to ambient community exposure to toxic air contaminants. Another key benefit is the ability to measure the change in the ambient air concentration of the individual target species and quantify control measure effectiveness. Data from these monitors may be publicly accessible through the TCEQ's website and may be used in evaluating air quality in the area, including ozone forecasts, and ozone warnings.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order to:

University of Texas at Arlington
Attention: Lisa London, Executive Director
Division for Enterprise Development
140 West Mitchell Street
Arlington, Texas 76019-0197

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the TCEQ Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Offset Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Offset Amount.

Cowtown Gas Processing Partners L.P.
Agreed Order - Attachment A

In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall mail it to:

Texas Commission on Environmental Quality
Office of Legal Services
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the Project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.