

Executive Summary – Enforcement Matter – Case No. 45990

WTG Gas Processing, L.P.

RN100211473

Docket No. 2013-0119-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

East Vealmoor Gas Plant, eight miles west of the intersection of Ranch Road 1205 and Farm-to-Market Road 846, Howard County

Type of Operation:

Natural gas plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: July 26, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$48,376

Amount Deferred for Expedited Settlement: \$9,675

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$38,701

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

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WTG Gas Processing, L.P.
RN100211473
Docket No. 2013-0119-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: November 26, 2012 through November 28, 2012

Date(s) of NOE(s): December 3, 2012 and December 21, 2012

Violation Information

1. Failed to report an emissions event within 24 hours of discovery. Specifically, Incident No. 168976 was discovered on May 24, 2012 at 6:00 a.m., and was not reported until May 29, 2012 at 11:56 a.m.; Incident No. 169430 was discovered on June 6, 2012 at 6:00 a.m., and was not reported until June 7, 2012 at 6:32 p.m.; and Incident No. 171852 was discovered on August 1, 2012 at 12:00 am, and was not reported until August 2, 2012 at 7:31 p.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(A) and 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 385.085(b)].

2. Failed to prevent unauthorized emissions. Specifically, all of the Plant's residue gas could not be accepted by a third party transmission pipeline which caused excess residue gas to be flared at the Emergency Process Flare, Emission Point No. ("EPN") F2, and led to the unauthorized release of 61,077 pounds ("lbs") of carbon monoxide ("CO"), 0.80 lb of hydrogen sulfide ("H₂S"), 7,122.54 lbs of nitrogen oxides ("NO_x"), 73.34 lbs of sulfur dioxide ("SO₂") and 561.36 lbs of volatile organic compounds ("VOC"). Incident No. 168976, began on May 24, 2012 and lasted 216 hours. Since this emissions event was reported late, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review ("NSR") Permit No. 20137, Special Conditions 1].

3. Failed to prevent unauthorized emissions. Specifically, all of the Plant's residue gas could not be accepted by a third party transmission pipeline which caused excess residue gas to be flared at the Emergency Process Flare, EPN F2, and led to the unauthorized release of 5,827.8 lbs of CO, 0.10 lb of H₂S, 679.76 lbs of NO_x, 6.96 lbs of SO₂ and 53.44 lbs of VOC. Incident No. 169430, began on June 6, 2012 and lasted 24 hours. Since this emissions event was reported late, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and NSR Permit No. 20137, Special Conditions 1].

4. Failed to prevent unauthorized emissions. Specifically, a refrigeration compressor malfunction shutdown increased the need to flare additional residue gas and all of the Plant's residue gas could not be accepted by a third party transmission pipeline which caused excess residue gas to be flared at the Emergency Process Flare, EPN F2, and led to the unauthorized release of 19,140.6 lbs of CO, 0.5 lb of H₂S, 9,598.52 lbs of NO_x,

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31.92 lbs of SO₂ and 7,253.48 lbs of VOC. Incident No. 171852, began on August 1, 2012 and lasted 48 hours. Since this emissions event was reported late, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and NSR Permit No. 20137, Special Conditions 1].

5. Failed to maintain the sulfur recovery efficiency. Specifically, on December 13, 2011 and December 16, 2011, Respondent had a sulfur recovery efficiency of 95.9% and 94.4%, respectively, and the minimum recovery efficiency should have been 96% when sulfur processing was 5.00 long tons per day ("LTPD"). Similarly, between July 10, 2012 and July 13, 2012, Respondent had a sulfur recovery efficiency of 92.7% and 92.9%, respectively, and the minimum recovery efficiency should have been 94% when sulfur processing was less than 3.00 LTPD [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and NSR Permit No. 20137, Special Conditions 5].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

Respondent has implemented the following corrective measures:

- a. Conducted training sessions for personnel that are responsible for emission events and timely reporting requirements on August 3, 2012;
- b. Installed a flare volume alarm in order to prevent a recurrence of Incident Nos. 168976, 169430, and 171852 on August 3, 2012; and
- c. Established an alarm system which will force the control of the air louvers to return to automatic control to manage the stack temperature that will result in maintaining sulfur recovery efficiency. This alarm was up and operational and the operators were trained by February 21, 2013.

Technical Requirements:

N/A

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

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RN100211473
Docket No. 2013-0119-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Rajesh Acharya, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-0577; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456

TCEQ SEP Coordinator: N/A

Respondent: J.L. Davis, President, WTG Gas Processing, L.P., 211 North Colorado
Street, Midland, Texas 79701

Elena Hofmann, Senior Consultant, Environmental Operational Solutions LLC, 6340
North Eldridge Parkway, Suite I #303, Houston, Texas 77041

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	10-Dec-2012	Screening	4-Jan-2013	EPA Due	23-Sep-2013
	PCW	13-May-2013				

RESPONDENT/FACILITY INFORMATION

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

CASE INFORMATION

Enf./Case ID No.	45990	No. of Violations	5
Docket No.	2013-0119-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rajesh Acharya
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$27,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$27,000**

Notes: Enhancement for one NOV with same/similar violations, one NOV with dissimilar violations, six orders containing denial of liability, and three orders without a denial of liability.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$5,624**

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

Total EB Amounts: \$165
Approx. Cost of Compliance: \$6,750
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$48,376**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$48,376**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$48,376**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$9,675**

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 **\$38,701**

Screening Date 4-Jan-2013

Docket No. 2013-0119-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 3 (September 2011)

Case ID No. 45990

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100211473

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

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	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	6	120%
	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	3	75%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%

Please Enter Yes or No

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

Adjustment Percentage (Subtotal 2) 202%

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

No

Adjustment Percentage (Subtotal 3) 0%

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

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes

Enhancement for one NOV with same/similar violations, one NOV with dissimilar violations, six orders containing denial of liability, and three orders without a denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 202%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 100%

Screening Date 4-Jan-2013

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PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 3 (September 2011)

Case ID No. 45990

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100211473

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(A) and 101.201(a)(1)(B) and Tex. Health & Safety Code § 385.085(b)

Violation Description Failed to report an emissions event within 24 hours of discovery. Specifically, Incident No. 168976 was discovered on May 24, 2012 at 6:00 am, and was not reported until May 29, 2012 at 11:56 am; Incident No. 169430 was discovered on June 6, 2012 at 6:00 am, and was not reported until June 7, 2012 at 6:32 pm; and Incident No. 171852 was discovered on August 1, 2012 at 12:00 am, and was not reported until August 2, 2012 at 7:31 pm.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
			x

Percent 1.0%

Matrix Notes

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

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 3

4 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$750

Three single events (one per report) are recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$187

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

Notes

The Respondent completed corrective actions on August 3, 2012, before the Notice of Enforcement ("NOE") dated December 3, 2012.

Violation Subtotal \$563

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$21

Violation Final Penalty Total \$1,313

This violation Final Assessed Penalty (adjusted for limits) \$1,313

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.
Case ID No. 45990
Reg. Ent. Reference No. RN100211473
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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	\$1,500	25-May-2012	3-Aug-2012	0.19	\$14	n/a	\$14
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$750	25-May-2012	2-Aug-2012	0.19	\$7	n/a	\$7

Notes for DELAYED costs

Estimated costs for plant personnel to submit an emissions event report (\$250/emission), and for the implementation of new plant procedures concerning emissions event reporting requirements (\$1,500). Date Required is the date the first report was due and the final dates are the date corrective actions were completed (the day of the emission reports submitted), and the date remaining corrective actions 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

\$2,250

TOTAL

\$21

Screening Date 4-Jan-2013
Respondent WTG Gas Processing, L.P.
Case ID No. 45990
Reg. Ent. Reference No. RN100211473
Media [Statute] Air
Ent. Coordinator Rajesh Acharya

Docket No. 2013-0119-AIR-E

PCW
 Policy Revision 3 (September 2011)
 PCW Revision August 3, 2011

Violation Number

Rule Cite(s)

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

Violation Description

Failed to prevent unauthorized emissions. Specifically, all of the Plant's residue gas could not be accepted by a third party transmission pipeline which caused excess residue gas to be flared at the Emergency Process Flare, Emission Point No. ("EPN") F2, and led to the unauthorized release of 61,077 pounds ("lbs") of carbon monoxide ("CO"), 0.80 lb of hydrogen sulfide ("H2S"), 7,122.54 lbs of nitrogen oxides ("NOx"), 73.34 lbs of sulfur dioxide ("SO2") and 561.36 lbs of volatile organic compounds ("VOC"). Incident No. 168976, began on May 24, 2012 and lasted 216 hours. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual		X		<input type="text" value="30.0%"/>
	Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				<input type="text" value="0.0%"/>

Matrix Notes

Based on the analysis of modeling data provided by the Respondent, human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment

Violation Events

Number of Violation Events Number of violation days

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

Violation Base Penalty

One monthly event is recommended.

Good Faith Efforts to Comply

Reduction

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

Notes: The Respondent completed corrective actions on August 3, 2012, before the NOE dated December 3, 2012.

Violation Subtotal

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.
Case ID No. 45990
Reg. Ent. Reference No. RN100211473
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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				0.00	\$0	n/a	\$0
Other (as needed)	\$2,500	24-May-2012	3-Aug-2012	0.19	\$24	n/a	\$24

Notes for DELAYED costs

Estimated costs to update and implement training and operating procedures to prevent the recurrence of emissions events. Date Required is the date the emissions event began. 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	\$2,500	TOTAL	\$24
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Screening Date 4-Jan-2013

Docket No. 2013-0119-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 3 (September 2011)

Case ID No. 45990

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100211473

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 3

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

Violation Description

Failed to prevent unauthorized emissions. Specifically, all of the Plant's residue gas could not be accepted by a third party transmission pipeline which caused excess residue gas to be flared at the Emergency Process Flare, EPN F2, and led to the unauthorized release of 5,827.8 lbs of CO, 0.10 lb of H2S, 679.76 lbs of NOx, 6.96 lbs of SO2 and 53.44 lbs of VOC. Incident No. 169430, began on June 6, 2012 and lasted 24 hours. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

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

Notes The Respondent completed corrective actions on August 3, 2012, before the NOE dated December 3, 2012.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.

Case ID No. 45990

Reg. Ent. Reference No. RN100211473

Media Air

Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

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

Notes for DELAYED costs

See Economic Benefit calculated for Violation No. 2.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$0

TOTAL \$0

Screening Date 4-Jan-2013

Docket No. 2013-0119-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 3 (September 2011)

Case ID No. 45990

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100211473

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 4

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

Violation Description

Failed to prevent unauthorized emissions. Specifically, a refrigeration compressor malfunction shutdown increased the need to flare additional residue gas and all of the Plant's residue gas could not be accepted by a third party transmission pipeline which caused excess residue gas to be flared at the Emergency Process Flare, EPN F2, and led to the unauthorized release of 19,140.6 lbs of CO, 0.5 lb of H2S, 9,598.52 lbs of NOx, 31.92 lbs of SO2 and 7,253.48 lbs of VOC. Incident No. 171852, began on August 1, 2012 and lasted 48 hours. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		X	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Based on the analysis of modeling data provided by the Respondent, human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1 Number of violation days 2

daily	
weekly	
monthly	X
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$1,875

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes

The Respondent completed corrective actions on August 3, 2012, before the NOE dated December 3, 2012.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$13,125

This violation Final Assessed Penalty (adjusted for limits) \$13,125

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.

Case ID No. 45990

Reg. Ent. Reference No. RN100211473

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
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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				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

See Economic Benefit calculated for Violation No. 2.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 4-Jan-2013

Docket No. 2013-0119-AIR-E

PCW

Respondent WTG Gas Processing, L.P.

Policy Revision 3 (September 2011)

Case ID No. 45990

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100211473

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 5

Rule Cite(s)

30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b), and NSR Permit No. 20137, Special Conditions 5

Violation Description

Failed to maintain the sulfur recovery efficiency. Specifically, on December 13, 2011 and December 16, 2011, the Respondent had a sulfur recovery efficiency of 95.9% and 94.4%, respectively, and the minimum recovery efficiency should have been 96% when sulfur processing was 5.00 long tons per day ("LTPD") . Similarly, between July 10, 2012 and July 13, 2012, the Respondent had a sulfur recovery efficiency of 92.7% and 92.9%, respectively, and the minimum recovery efficiency should have been 94% when sulfur processing was less than 3.00 LTPD.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2

4 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$7,500

Two quarterly events are recommended for the periods of noncompliance in December 2011 and July 2012.

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 \$167

Violation Final Penalty Total \$15,000

This violation Final Assessed Penalty (adjusted for limits) \$15,000

Economic Benefit Worksheet

Respondent WTG Gas Processing, L.P.
Case ID No. 45990
Reg. Ent. Reference No. RN100211473
Media Air
Violation No. 5

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				0.00	\$0	n/a	\$0
Other (as needed)	\$2,000	13-Dec-2011	21-Feb-2013	1.19	\$119	n/a	\$119

Notes for DELAYED costs

Estimated cost for additional oversight and management practices designed to ensure compliance with the minimum sulfur recovery efficiency. Date Required is the earliest date of noncompliance. 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	\$119
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Compliance History Report

PUBLISHED Compliance History Report for CN600125439, RN100211473, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator:	CN600125439, WTG Gas Processing, L.P.	Classification: SATISFACTORY	Rating: 15.19
Regulated Entity:	RN100211473, EAST VEALMOOR GAS PLANT	Classification: SATISFACTORY	Rating: 52.43
Complexity Points:	8	Repeat Violator: NO	
CH Group:	05 - Chemical Manufacturing		
Location:	EIGHT MILES WEST OF THE INTERSECTION OF RANCH ROAD 1205 AND FARM-TO-MARKET ROAD 846 IN HOWARD COUNTY, TX		
TCEQ Region:	REGION 07 - MIDLAND		

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HT0016G	AIR OPERATING PERMITS PERMIT 3180
AIR NEW SOURCE PERMITS PERMIT 5301	AIR NEW SOURCE PERMITS PERMIT 8461
AIR NEW SOURCE PERMITS PERMIT 20137	AIR NEW SOURCE PERMITS REGISTRATION 37218
AIR NEW SOURCE PERMITS REGISTRATION 47146	AIR NEW SOURCE PERMITS ACCOUNT NUMBER HT0016G
AIR NEW SOURCE PERMITS AFS NUM 4822700003	AIR NEW SOURCE PERMITS REGISTRATION 91700
AIR EMISSIONS INVENTORY ACCOUNT NUMBER HT0016G	

Compliance History Period:	September 01, 2007 to August 31, 2012	Rating Year:	2012	Rating Date:	09/01/2012
Date Compliance History Report Prepared:	December 27, 2012				
Agency Decision Requiring Compliance History:	Enforcement				
Component Period Selected:	December 27, 2007 to December 27, 2012				

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Rajesh Acharya **Phone:** (512) 239-0577

Site and Owner/Operator History:

- 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 for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 01/28/2008 ADMINORDER 2007-0722-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Minor

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

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

Classification: Moderate

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

Rqmt Prov: 5301 PERMIT

Special Condition 6.B. PERMIT

Description: Failed to perform the annual evaluation of the catalyst degradation for Emission Point No. CM-20, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 5301, Special Condition No. 6B and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 13, 2007.

Classification: Moderate

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

Rqmt Prov: MAERT PERMIT

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

Classification: Minor

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

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

2 Effective Date: 10/04/2009 ADMINORDER 2009-0210-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

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

Rqmt Prov: Special Condition No. 5 PERMIT

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

3 Effective Date: 06/18/2010 ADMINORDER 2009-1371-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

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

Rqmt Prov: NSR Permit No. 20137 PERMIT

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

Classification: Moderate

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

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

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

4 Effective Date: 09/26/2010 ADMINORDER 2010-0219-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

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

Rqmt Prov: Special Condition No. 16F PERMIT

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

Classification: Moderate

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

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

Classification: Minor

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

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

- 5 Effective Date: 06/20/2011 ADMINORDER 2010-1796-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)
Description: Failed to report emissions event within 24 hours after discovery of the event.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: NSR Permit 20137, Special Condition 1 PERMIT
Description: Failed to prevent unauthorized emissions. Since this event was avoidable and reported late, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: NSR Permit 20137, Special Condition 1 PERMIT
Special Condition No. 1 PERMIT
Description: Failed to prevent unauthorized emissions. Since this event was avoidable and reported late, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met.
- 6 Effective Date: 08/27/2011 ADMINORDER 2011-0283-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 112, SubChapter A 112.3(a)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Condition No. 1 PERMIT
Description: Failed to prevent unauthorized emissions and exceeded the net ground level concentration of 0.4 ppmv of SO2 during an emissions event (Incident No. 147325) which began on November 12, 2010.
- 7 Effective Date: 10/02/2011 ADMINORDER 2011-0122-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: NSR Permit 20137 Special Conditions No 5 PERMIT
Description: Failure to maintain a minimum 94% sulfur recovery efficiency from the Sulfur Recovery Unit ("SRU"). Specifically, there were 19 days between June 10, 2010 and August 12, 2010, in which the sulfur recovery of the SRU ranged from 89.7% to 93.8%.
- 8 Effective Date: 10/27/2012 ADMINORDER 2012-0294-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 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: FOP No. O3180, STC 1.A. OP
NSR Permit No. 21037, SC 4 PERMIT
Description: Failed to maintain O2 concentrations at or above three percent in the TGI stack.
Classification: Moderate
Citation: 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: FOP No. O3180, STC 1.A. OP
NSR Permit No. 5301 PERMIT
Description: Failed to monitor with a continuous sensor the O2 content at the inlet of the catalytic converter of the engine identified as EPN CM-21.
Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP No. O3180, GTC OP

FOP No. O3180, STC 1.A. OP

Description: Failed to report all instances of deviations in the semi-annual deviation report.

- 9 Effective Date: 11/11/2012 ADMINORDER 2012-0564-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(A)
5C THSC Chapter 382 382.085(b)
Description: Failure to determine if event is a reportable event within 24 hours of discovery of the emission event.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Condition No. 1 PERMIT
Description: Failure to comply with emission limits stated in the MAERT, Special Condition No. 1 of NSR Permit No. 20137.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	January 22, 2010	(789064)
Item 2	January 26, 2010	(789444)
Item 3	March 09, 2010	(794398)
Item 4	July 30, 2010	(843462)
Item 5	December 21, 2010	(885115)
Item 6	January 07, 2011	(887592)
Item 7	January 30, 2012	(982740)
Item 8	January 31, 2012	(982792)
Item 9	June 01, 2012	(1008788)
Item 10	June 27, 2012	(1014947)
Item 11	September 17, 2012	(1031425)
Item 12	November 20, 2012	(1046213)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

- 1 Date: 01/13/2012 (976843) CN600125439
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition No. 5 PERMIT
Description: Failure to record daily sulfur recovery efficiency in accordance with Special Condition No. 5 of NSR Permit No. 20137.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Description: Failure to record short term sulfur dioxide emissions in accordance with Special Condition No. 23(D) of NSR Permit No. 20137.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition No. 20 PERMIT
Description: Failure to maintain quality assurance data generation downtime below 5% of the time the tail gas incinerator is operated as stipulated by Special Condition No. 20 of NSR Permit No. 20137.
- 2 Date: 12/21/2012 (1051690) CN600125439
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Description: Special Condition No. 23D PERMIT
Failure to record short term sulfur dioxide (SO2) emissions in accordance with Special Condition No. 23(D) of NSR Permit No. 20137.

Self Report? NO Classification: Minor

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

Description: Failure to record sulfur recovery unit (SRU) daily efficiency in accordance with Special Condition No. 5 of NSR Permit No. 20137.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 116, SubChapter B 116.115(c)(2)(B)(i)
5C THSC Chapter 382 382.085(b)
Special Condition No. 20 PERMIT

Description: Failure to maintain quality assurance data generation downtime below 5% of the time the tail gas incinerator is operated as stipulated by Special Condition No. 20 of NSR Permit No. 20137.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition No. 18 PERMIT

Description: Failure to record and maintain SRU incinerator stack oxygen (O2) concentration as required by NSR Permit No. 20137 Special Condition No. 18.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition No. 4 PERMIT

Description: Failure to maintain the incinerator firebox temperature above 1200° Fahrenheit as stipulated by Special Condition No. 4 of NSR Permit No. 20137.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition No. 19 PERMIT

Description: Failure to calculate and record tail gas incinerator stack flow as required by NSR Permit No. 20137 Special Condition No. 19.

F. Environmental audits:

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
WTG GAS PROCESSING, L.P.
RN100211473**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2013-0119-AIR-E**

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding WTG Gas Processing, L.P. ("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 together stipulate that:

1. The Respondent owns and operates a natural gas plant located at eight miles west of the intersection of Ranch Road 1205 and Farm-to-Market Road 846 in Howard County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director 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 notices of the violations alleged in Section II ("Allegations") on or about December 8 and December 26, 2012.
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 Forty-Eight Thousand Three Hundred Seventy-Six Dollars (\$48,376) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirty-Eight

Thousand Seven Hundred One Dollars (\$38,701) of the administrative penalty and Nine Thousand Six Hundred Seventy-Five Dollars (\$9,675) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. Conducted training sessions for personnel that are responsible for emission events and timely reporting requirements on August 3, 2012;
 - b. Installed a flare volume alarm in order to prevent a recurrence of Incident Nos. 168976, 169430, and 171852 on August 3, 2012; and
 - c. Established an alarm system which will force the control of the air louvers to return to automatic control to manage the stack temperature that will result in maintaining sulfur recovery efficiency. This alarm was up, and operational and the operators were trained by February 21, 2013.
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 report an emissions event within 24 hours of discovery, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(A) and 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 385.085(b), as documented during an investigation conducted on November 27, 2012 and November 28, 2012. Specifically, Incident No. 168976 was discovered on May 24,

2012 at 6:00 am, and was not reported until May 29, 2012 at 11:56 am; Incident No. 169430 was discovered on June 6, 2012 at 6:00 am, and was not reported until June 7, 2012 at 6:32 pm; and Incident No. 171852 was discovered on August 1, 2012 at 12:00 am, and was not reported until August 2, 2012 at 7:31 pm.

2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review ("NSR") Permit No. 20137, Special Conditions 1, as documented during an investigation conducted on November 27, 2012 and November 28, 2012. Specifically, all of the Plant's residue gas could not be accepted by a third party transmission pipeline which caused excess residue gas to be flared at the Emergency Process Flare, Emission Point No. ("EPN") F2, and led to the unauthorized release of 61,077 pounds ("lbs") of carbon monoxide ("CO"), 0.80 lb of hydrogen sulfide ("H₂S"), 7,122.54 lbs of nitrogen oxides ("NO_x"), 73.34 lbs of sulfur dioxide ("SO₂") and 561.36 lbs of volatile organic compounds ("VOC"). Incident No. 168976, began on May 24, 2012 and lasted 216 hours. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
3. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and NSR Permit No. 20137, Special Conditions 1, as documented during an investigation conducted on November 27, 2012 and November 28, 2012. Specifically, all of the Plant's residue gas could not be accepted by a third party transmission pipeline which caused excess residue gas to be flared at the Emergency Process Flare, EPN F2, and led to the unauthorized release of 5,827.8 lbs of CO, 0.10 lb of H₂S, 679.76 lbs of NO_x, 6.96 lbs of SO₂ and 53.44 lbs of VOC. Incident No. 169430, began on June 6, 2012 and lasted 24 hours. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
4. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and NSR Permit No. 20137, Special Conditions 1, as documented during an investigation conducted on November 27, 2012 and November 28, 2012. Specifically, a refrigeration compressor malfunction shutdown increased the need to flare additional residue gas and all of the Plant's residue gas could not be accepted by a third party transmission pipeline which caused excess residue gas to be flared at the Emergency Process Flare, EPN F2, and led to the unauthorized release of 19,140.6 lbs of CO, 0.5 lb of H₂S, 9,598.52 lbs of NO_x, 31.92 lbs of SO₂ and 7,253.48 lbs of VOC. Incident No. 171852, began on August 1, 2012 and lasted 48 hours. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
5. Failed to maintain the sulfur recovery efficiency, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), NSR Permit No. 20137, Special Conditions 5, as documented during an investigation conducted on November 26 through November 28, 2012. Specifically, on December 13, 2011 and December 16, 2011, the Respondent had a sulfur recovery efficiency of 95.9% and 94.4%, respectively, and the minimum recovery efficiency should have been 96% when sulfur processing was 5.00 long tons per day ("LTPD"). Similarly, between July 10, 2012 and July 13, 2012, the Respondent had a sulfur recovery efficiency of 92.7% and 92.9%, respectively, and the

minimum recovery efficiency should have been 94% when sulfur processing was less than 3.00 LTPD.

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: WTG Gas Processing, L.P., Docket No. 2013-0119-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph

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

5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Pam Rowen
For the Executive Director

9/3/13
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.

J.L. Davis
Signature

May 31, 2013
Date

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

President
Title

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