

Executive Summary – Enforcement Matter – Case No. 46633
Atlas Pipeline Mid-Continent WestTex, LLC
RN100215714
Docket No. 2013-0722-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

Yes

Location(s) Where Violation(s) Occurred:

Midkiff Gas Plant, 17400 East Farm-to-Market Road 2401, Midkiff, Reagan County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: August 16, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$8,875

Amount Deferred for Expedited Settlement: \$1,775

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$7,100

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

Executive Summary – Enforcement Matter – Case No. 46633
Atlas Pipeline Mid-Continent WestTex, LLC
RN100215714
Docket No. 2013-0722-AIR-E

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: March 7, 2013
Date(s) of NOE(s): April 4, 2013

Violation Information

1. Failed to report an emissions event within 24 hours after discovery. Specifically, the emissions event for Incident No. 179840 was discovered on February 26, 2013 at 12:00 a.m. and the event was not reported until February 27, 2013 at 12:12 p.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to prevent unauthorized emissions. Specifically, Respondent released 6,214.32 pounds (“lbs”) of carbon monoxide, 5,422.40 lbs of volatile organic compounds, and 1,133.64 lbs of nitrogen oxides from the High Pressure Flare (Emission Point Number Source 80) during an emissions event, Incident No. 179840, that began on February 26, 2013, and lasted for 14 hours. The emissions event occurred when a mechanical failure on Compressor Engine B-16 broke several rocker arms causing valve failure and damaging engine plugs. Since the emissions event was not properly reported, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [New Source Review Permit No. 19592, General Conditions No. 8 and Special Conditions No. 1, 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 116.615(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

Respondent has implemented the following corrective measures:

- a. Revised emissions event incident reporting procedures to ensure the timely submittals of incident reports on March 21, 2013; and
- b. Implemented updated training procedures and trained operators to prevent reoccurrence of similar emissions events as Incident No. 179840 on April 17, 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

**Executive Summary – Enforcement Matter – Case No. 46633
Atlas Pipeline Mid-Continent WestTex, LLC
RN100215714
Docket No. 2013-0722-AIR-E**

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Judy Kluge, Enforcement Division, Enforcement Team 6, MC R-04, (817) 588-5825; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: N/A

Respondent: Gerald Shrader, Senior Vice President, Atlas Pipeline Mid-Continent WestTex, LLC, 110 West 7th Street, Tulsa, Oklahoma 74119

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	8-Apr-2013	Screening	10-Apr-2013	EPA Due	30-Dec-2013
	PCW	11-Apr-2013				

RESPONDENT/FACILITY INFORMATION

Respondent	Atlas Pipeline Mid-Continent WestTex, LLC		
Reg. Ent. Ref. No.	RN100215714		
Facility/Site Region	8-San Angelo	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	46633	No. of Violations	2
Docket No.	2013-0722-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Judy Kluge
		EC's Team	Enforcement Team 6
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* **\$7,750**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **25.0%** Enhancement *Subtotals 2, 3, & 7* **\$1,937**

Notes: Enhancement for one NOV with similar violations and one order containing 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* **\$812**

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

Total EB Amounts \$15
Approx. Cost of Compliance \$2,500
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 *Final Subtotal* **\$8,875**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$8,875**

STATUTORY LIMIT ADJUSTMENT *Final Assessed Penalty* **\$8,875**

DEFERRAL **20.0%** Reduction *Adjustment* **-\$1,775**

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 **\$7,100**

Screening Date 10-Apr-2013

Docket No. 2013-0722-AIR-E

PCW

Respondent Atlas Pipeline Mid-Continent WestTex, LLC

Policy Revision 3 (September 2011)

Case ID No. 46633

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100215714

Media [Statute] Air

Enf. Coordinator Judy Kluge

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>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%

Please Enter Yes or No

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

Adjustment Percentage (Subtotal 2) 25%

>> 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 similar violations and one order containing a denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 25%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 25%

Screening Date 10-Apr-2013

Docket No. 2013-0722-AIR-E

PCW

Respondent Atlas Pipeline Mid-Continent WestTex, LLC

Policy Revision 3 (September 2011)

Case ID No. 46633

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100215714

Media [Statute] Air

Enf. Coordinator Judy Kluge

Violation Number 1

Rule Cite(s)

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

Violation Description

Failed to report an emissions event within 24 hours after discovery. Specifically, the emissions event for Incident No. 179840 was discovered on February 26, 2013 at 12:00 a.m. and the event was not reported until February 27, 2013 at 12:12 p.m.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1.0%

Matrix Notes

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

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$62

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

Notes The Respondent came into compliance on March 21, 2013, prior to the Notice of Enforcement ("NOE") dated April 4, 2013.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2

Violation Final Penalty Total \$251

This violation Final Assessed Penalty (adjusted for limits) \$251

Economic Benefit Worksheet

Respondent Atlas Pipeline Mid-Continent WestTex, LLC
Case ID No. 46633
Reg. Ent. Reference No. RN100215714
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
<small>No commas or \$</small>							

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)	\$500	27-Feb-2013	21-Mar-2013	0.06	\$2	n/a	\$2

Notes for DELAYED costs

Estimated cost to implement measures and procedures for timely submittal of emissions event reports. The date required is the date the report was due, and the final date is the date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance	\$500	TOTAL	\$2
-----------------------------------	-------	--------------	-----

Screening Date 10-Apr-2013

Docket No. 2013-0722-AIR-E

PCW

Respondent Atlas Pipeline Mid-Continent WestTex, LLC

Policy Revision 3 (September 2011)

Case ID No. 46633

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100215714

Media [Statute] Air

Enf. Coordinator Judy Kluge

Violation Number 2

Rule Cite(s) New Source Review Permit No. 19592, General Conditions No. 8 and Special Conditions No. 1, 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and 116.615(2), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 6,214.32 pounds ("lbs") of carbon monoxide, 5,422.40 lbs of volatile organic compounds, and 1,133.64 lbs of nitrogen oxides from the High Pressure Flare (Emission Point Number Source 80) during an emissions event, Incident No. 179840, that began on February 26, 2013, and lasted for 14 hours. The emissions event occurred when a mechanical failure on Compressor Engine B-16 broke several rocker arms causing valve failure and damaging engine plugs. Since the emissions event was not properly reported, 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	Harm		
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

1 Number of violation days

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

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

10.0% Reduction \$750

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

Notes The Respondent came into compliance on April 17, 2013, after the NOE dated April 4, 2013.

Violation Subtotal \$6,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$14

Violation Final Penalty Total \$8,625

This violation Final Assessed Penalty (adjusted for limits) \$8,625

Economic Benefit Worksheet

Respondent Atlas Pipeline Mid-Continent WestTex, LLC
Case ID No. 46633
Reg. Ent. Reference No. RN100215714
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
<small>No commas or \$</small>							

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	26-Feb-2013	17-Apr-2013	0.14	\$14	n/a	\$14

Notes for DELAYED costs

Estimated cost to update and implement training procedures designed to prevent the recurrence of emissions events due to same/similar causes. The date required is the date of the emissions event and the final date is the date 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 \$2,000

TOTAL \$14

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



Compliance History Report

PUBLISHED Compliance History Report for CN603241449, RN100215714, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator: CN603241449, Atlas Pipeline
Mid-Continent WestTex, LLC
Classification: SATISFACTORY
Rating: 1.88

Regulated Entity: RN100215714, MIDKIFF GAS PLANT
Classification: SATISFACTORY
Rating: 10.13

Complexity Points: 5
Repeat Violator: NO

CH Group: 03 - Oil and Gas Extraction

Location: 17400 E FM 2401 MIDKIFF, TX 79755, REAGAN COUNTY

TCEQ Region: REGION 08 - SAN ANGELO

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER RC0004K
AIR OPERATING PERMITS PERMIT 3120
AIR NEW SOURCE PERMITS PERMIT 19592
AIR NEW SOURCE PERMITS ACCOUNT NUMBER RC0004K
AIR NEW SOURCE PERMITS AFS NUM 4838300002
AIR NEW SOURCE PERMITS REGISTRATION 48308
AIR EMISSIONS INVENTORY ACCOUNT NUMBER RC0004K

Compliance History Period: September 01, 2007 to August 31, 2012
Rating Year: 2012
Rating Date: 09/01/2012

Date Compliance History Report Prepared: April 10, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: April 10, 2008 to April 10, 2013

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

Name: Judy Kluge

Phone: (817) 588-5825

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: 03/08/2010 ADMINORDER 2009-1505-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.146(1)

30 TAC Chapter 122, SubChapter B 122.146(2)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:GOP No. 514, SWR No. (b)(2) OP

Description: Failed to submit a complete PCC for the February 29, 2008 through August 27, 2008 period no later than 30 days after the end of the certification period. Specifically, the Respondent failed to include the PCC pages, when the cover letter, signed Certification by Responsible Official and Deviation Report were submitted on September 23, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:GOP No. 514, SWR No. (b)(8) OP

Description: Failed to maintain records which document that an observation for visible emissions was conducted for all

stationary vents for emission units in operation at least once in each calendar quarter.

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: GOP No. 514, SWR No. (b)(7) OP

Special Condition 14C PERMIT

Description: Failed to conduct an emissions test for NOx and CO on engine EPN A9 at least biennially. Specifically, the engine was not retested by December 31, 2008 as required.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	August 06, 2008	(689070)
Item 2	November 10, 2008	(707308)
Item 3	June 26, 2009	(760223)
Item 4	October 12, 2009	(775917)
Item 5	October 14, 2009	(779114)
Item 6	December 28, 2009	(786342)
Item 7	August 17, 2010	(843007)
Item 8	September 21, 2010	(844181)
Item 9	November 29, 2010	(877786)
Item 10	January 12, 2011	(890908)
Item 11	January 31, 2011	(893193)
Item 12	March 10, 2011	(894941)
Item 13	July 22, 2011	(937223)
Item 14	December 08, 2011	(971013)
Item 15	January 03, 2012	(976261)
Item 16	January 06, 2012	(976727)
Item 17	January 19, 2012	(981361)
Item 18	February 03, 2012	(983269)
Item 19	February 06, 2012	(983503)
Item 20	February 08, 2012	(983843)
Item 21	February 15, 2012	(976589)
Item 22	February 27, 2012	(987375)
Item 23	April 05, 2012	(988028)
Item 24	July 05, 2012	(1015991)
Item 25	July 12, 2012	(1019324)
Item 26	July 18, 2012	(1020563)
Item 27	July 19, 2012	(1020432)
Item 28	July 20, 2012	(1020923)
Item 29	July 29, 2012	(1021714)
Item 30	August 13, 2012	(1023988)
Item 31	November 21, 2012	(1046365)
Item 32	November 26, 2012	(1046383)

E. Written notices of violations (NOV) (CCEDS 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:	03/27/2013 (1058119)	CN603241449
	Self Report?	NO	Classification: Moderate
	Citation:	19592 PERMIT 30 TAC Chapter 122, SubChapter B 122.144(1) 3120 PERMIT 5C THSC Chapter 382 382.085(b)	
	Description:	Failure to maintain records of all required monitoring data and support information for a period of at least five years.	

Self Report? NO

Classification: Moderate

Citation: 19592 PERMIT
3120 PERMIT

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-9(a)
5C THSC Chapter 382 382.085(b)

Description: Failure to repair Unit ID: E.PUMP before the end of the next process unit shutdown.

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	§	BEFORE THE
ENFORCEMENT ACTION	§	
CONCERNING	§	TEXAS COMMISSION ON
ATLAS PIPELINE MID-	§	
CONTINENT WESTTEX, LLC	§	
RN100215714	§	ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2013-0722-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 Atlas Pipeline Mid-Continent WestTex, LLC ("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 processing plant at 17400 East Farm-to-Market Road 2401 in Midkiff, Reagan 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 notice of the violations alleged in Section II ("Allegations") on or about April 9, 2013.
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 Eight Thousand Eight Hundred Seventy-Five Dollars (\$8,875) is assessed by the Commission in settlement of the violations alleged in

Section II ("Allegations"). The Respondent has paid Seven Thousand One Hundred Dollars (\$7,100) of the administrative penalty and One Thousand Seven Hundred Seventy-Five Dollars (\$1,775) 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. Revised emissions event incident reporting procedures to ensure the timely submittals of incident reports on March 21, 2013; and
 - b. Implemented updated training procedures and trained operators to prevent reoccurrence of similar emissions events as Incident No. 179840 on April 17, 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 after discovery, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on March 7, 2013. Specifically, the emissions event for Incident No. 179840 was discovered on February 26, 2013 at 12:00 a.m. and the event was not reported until February 27, 2013 at 12:12 p.m.

2. Failed to prevent unauthorized emissions, in violation of New Source Review Permit No. 19592, General Conditions No. 8 and Special Conditions No. 1, 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 116.615(2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on March 7, 2013. Specifically, the Respondent released 6,214.32 pounds ("lbs") of carbon monoxide, 5,422.40 lbs of volatile organic compounds, and 1,133.64 lbs of nitrogen oxides from the High Pressure Flare (Emission Point Number Source 80) during an emissions event, Incident No. 179840, that began on February 26, 2013, and lasted for 14 hours. The emissions event occurred when a mechanical failure on Compressor Engine B-16 broke several rocker arms causing valve failure and damaging engine plugs. Since the emissions event was not properly reported, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

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: Atlas Pipeline Mid-Continent WestTex, LLC, Docket No. 2013-0722-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

Jacq Miller

For the Executive Director

9.26.13

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.

Gerald R. Shrader

Signature

6/27/13

Date

GERALD R. SHRADER

Name (Printed or typed)
Authorized Representative of
Atlas Pipeline Mid-Continent WestTex, LLC

SENIOR VICE 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.