

**Executive Summary – Enforcement Matter – Case No. 44217
Devon Gas Services, L.P.
RN102913225
Docket No. 2012-1068-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Allison Compressor Station, located on County Road 4511, 1.02 miles south of the intersection with County Road 4010, Decatur, Wise County

Type of Operation:

Natural gas compressor station

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: November 30, 2012

Comments Received: No

Penalty Information

Total Penalty Assessed: \$45,303

Amount Deferred for Expedited Settlement: \$9,060

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$36,243

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002 and September 2011

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Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: February 15, 2012

Date(s) of NOE(s): May 9, 2012

Violation Information

1. Failed to conduct required initial testing for compliance with federal reciprocating internal combustion engines ("RICE") Maximum Achievable Control Technology ("MACT") requirements and failed to conduct subsequent semi-annual compliance testing. Specifically, Respondent failed to perform emissions testing on Engine Emission Point Numbers ("EPNs") E-16 prior to the November 5, 2011 deadline and Engine EPNs E-17, E-18, and E-23 were not tested within 180 days of initial engine startup (November 14, 2008, April 10, 2009, and January 4, 2010 respectively). Additionally, subsequent semi-annual compliance tests were not conducted on Engine EPNs E-13, E-14, E-15, E-18, and E-23 [30 TEX. ADMIN. CODE §§ 113.1090 and 122.143(4), 40 CODE OF FEDERAL REGULATIONS ("CFR") §§ 63.6615 and 63.6610(a), Federal Operating Permit ("FOP") No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(21), and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to report all instances of deviations. Specifically, deviations related to the failure to demonstrate compliance with RICE standards were not included as deviations in the semi-annual deviation reports for the August 1, 2008 through January 31, 2009, February 1, 2009 through July 31, 2009, August 1, 2010 through January 31, 2011, and February 1, 2011 through July 31, 2011 reporting periods [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(1) and (2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].
3. Failed to submit a permit compliance certification ("PCC") within 30 days after the end of the certification period. Specifically, the PCC for the August 1, 2010 through January 31, 2011 certification period was due by March 2, 2011, but it was not received until March 7, 2011 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), FOP No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(1) and (2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].
4. Failed to monitor continuous catalyst inlet temperature as required by MACT standards. Specifically, the catalyst inlet temperature was not monitored on Engine EPNs E-13, E-14, E-15, E-16, E-17, E-18, and E-23 [30 TEX. ADMIN. CODE § 113.1090, 40 CFR § 63.6625(a)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].
5. Failed to submit an initial compliance notification for MACT RICE applicable engines. Specifically, Respondent failed to submit the initial notification within 120 days after becoming subject to MACT RICE standards for Engine EPNs E-17, E-18, and E-23 [30

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TEX. ADMIN. CODE §§ 113.1090 and 122.143(4), 40 CFR §§ 63.6630(c) and 63.6650(b), FOP No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(21), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

Respondent has implemented the following corrective measures:

- a. By June 5, 2011, the initial compliance notification for federal RICE MACT requirements for EPNs E-17, E-18, and E-23 was submitted;
- b. By December 29, 2011, initial compliance testing for federal RICE MACT requirements for Engine EPNs E-16, E-17, E-18, E-23 were completed; and
- c. By March 28, 2012, semi-annual compliance testing for federal RICE MACT requirements for Engine EPNs E-13, E-14, E-15, E-18, and E-23 were completed.

Technical Requirements:

The Order will require Respondent to:

- a. Within 30 days:
 - i. Implement measures and procedures designed to ensure that semi-annual compliance testing is completed and submitted for Engine EPNs E-13, E-14, E-15, E-16, E-17, E-18, and E-23 in a timely manner;
 - ii. Implement procedures designed to ensure that semi-annual deviation reports are complete, accurate, and submitted within 30 days after the end of each deviation reporting period;
 - iii. Implement procedures designed to ensure that PCCs are complete, accurate, and submitted within 30 days after the end of each certification period; and
 - iv. Implement measures and procedures necessary to maintain compliance with 40 CFR § 63.6640 catalyst inlet temperatures recording requirements.
- b. Within 45 days, submit written certification demonstrating compliance with Ordering Provisions a.i. through a.iv.

Litigation Information

Date Petition(s) Filed: N/A

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RN102913225

Docket No. 2012-1068-AIR-E

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: Amancio Gutierrez, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-3921; Debra Barber, Enforcement Division, MC 219, (512) 239-0412

TCEQ SEP Coordinator: N/A

Respondent: Brian Oliver, Regional Vice President, Devon Gas Services, L.P., 1209 County Road 1304, Bridgeport, Texas 76426

Warren Hinkley, EH&S Specialist, Devon Gas Services, L.P., 1209 County Road 1304, Bridgeport, Texas 76426

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	8-May-2012	Screening	23-May-2012	EPA Due	29-Jan-2013
	PCW	1-Aug-2012				

RESPONDENT/FACILITY INFORMATION	
Respondent	Devon Gas Services, L.P.
Reg. Ent. Ref. No.	RN102913225
Facility/Site Region	4-Dallas/Fort Worth
Major/Minor Source	Major

CASE INFORMATION		No. of Violations	5
Enf./Case ID No.	44217	Order Type	1660
Docket No.	2012-1068-AIR-E	Government/Non-Profit	No
Media Program(s)	Air	Enf. Coordinator	James Nolan
Multi-Media		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$24,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **30.0%** Enhancement **Subtotals 2, 3, & 7** **\$7,200**

Notes: Enhancement for two NOV's with same/similar violations and one agreed order with 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** **\$1,875**

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

Total EB Amounts \$3,721
Approx. Cost of Compliance \$13,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$29,325**

OTHER FACTORS AS JUSTICE MAY REQUIRE **6.1%** **Adjustment** **\$1,803**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to capture the avoided cost of compliance associated with violation no. 1.

Final Penalty Amount **\$31,128**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$31,128**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$6,225**

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 **\$24,903**

Screening Date 23-May-2012

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PCW

Respondent Devon Gas Services, L.P.

Policy Revision 2 (September 2002)

Case ID No. 44217

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102913225

Media [Statute] Air

Enf. Coordinator James Nolan

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>)	2	10%
	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%
<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 two NOVs with same/similar violations and one agreed order with denial of liability.

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

Screening Date 23-May-2012

Docket No. 2012-1068-AIR-E

PCW

Respondent Devon Gas Services, L.P.

Policy Revision 2 (September 2002)

Case ID No. 44217

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102913225

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 113.1090 and 122.143(4), 40 Code of Federal Regulations ("CFR") § 63.6610(a), Federal Operating Permit No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(21), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to conduct required initial testing for compliance with federal reciprocating internal combustion engines ("RICE") Maximum Achievable Control Technology ("MACT") requirements. Specifically, the Respondent failed to perform emissions testing on Engine Emission Point Numbers ("EPNs") E-17, E-18, and E-23 within 180 days of initial engine startup (November 14, 2008, April 10, 2009, and January 4, 2010, respectively).

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				10%
	Potential			x	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 3 1230 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$3,000

Three single events are recommended, one for each test that was not performed.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDP RP/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 \$1,889

Violation Final Penalty Total \$4,140

This violation Final Assessed Penalty (adjusted for limits) \$4,140

Economic Benefit Worksheet

Respondent Devon Gas Services, L.P.
Case ID No. 44217
Reg. Ent. Reference No. RN102913225
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

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	15-Feb-2012	29-Jan-2013	0.96	\$72	n/a	\$72
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$2,500	15-Feb-2012	28-Mar-2012	0.12	\$14	n/a	\$14

Notes for DELAYED costs Estimated cost to implement procedures to ensure that compliance testing on the engines is completed in a timely manner. The Date Required is the date of investigation and the Final Date is the estimated date of compliance or 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)	\$1,500	14-Nov-2008	29-Dec-2011	4.04	\$303	\$1,500	\$1,803

Notes for AVOIDED costs Estimated avoided costs to perform initial performance testing on the Engine EPNs E-17, E-18, and E-23. The Date Required is the date the first initial test was due and the Final Date is the date of completion for the first engine test.

Approx. Cost of Compliance	\$5,500	TOTAL	\$1,889
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Screening Date 23-May-2012

Docket No. 2012-1068-AIR-E

PCW

Respondent Devon Gas Services, L.P.

Policy Revision 2 (September 2002)

Case ID No. 44217

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102913225

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(1) and (2), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to report all instances of deviations. Specifically, deviations related to the failure to demonstrate compliance with RICE standards were not included as deviations in the semi-annual deviation reports for the August 1, 2008 through January 31, 2009, February 1, 2009 through July 31, 2009, August 1, 2010 through January 31, 2011, and February 1, 2011 through July 31, 2011 reporting periods.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
		X		10%

Matrix Notes

50% of the rule requirement was not met.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 4 Number of violation days 1178

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

Violation Base Penalty \$4,000

Four single events are recommended, one for each report.

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 \$4,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$294

Violation Final Penalty Total \$5,520

This violation Final Assessed Penalty (adjusted for limits) \$5,520

Economic Benefit Worksheet

Respondent Devon Gas Services, L.P.
Case ID No. 44217
Reg. Ent. Reference No. RN102913225
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$1,500	2-Mar-2009	29-Jan-2013	3.92	\$294	n/a	\$294
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 for the implementation of procedures to ensure all deviations are reported in the deviation reports. The Date Required is the date the first deviation report was due and the Final Date is the estimated date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs:

Approx. Cost of Compliance	\$1,500	TOTAL	\$294
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Screening Date 23-May-2012

Docket No. 2012-1068-AIR-E

PCW

Respondent Devon Gas Services, L.P.

Policy Revision 2 (September 2002)

Case ID No. 44217

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102913225

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Federal Operating Permit No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(1) and (2), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit a permit compliance certification ("PCC") within 30 days after the end of the certification period. Specifically, the PCC for the August 1, 2010 through January 31, 2011 certification period was due by March 2, 2011, but it was not received until March 7, 2011.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
	x			25%

Matrix Notes 100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 5 Number of violation days

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

Violation Base Penalty \$2,500

One single event is recommended.

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 \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$48

Violation Final Penalty Total \$3,450

This violation Final Assessed Penalty (adjusted for limits) \$3,450

Economic Benefit Worksheet

Respondent Devon Gas Services, L.P.
Case ID No. 44217
Reg. Ent. Reference No. RN102913225
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
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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	\$500	2-Mar-2011	29-Jan-2013	1.92	\$48	n/a	\$48
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs
 Estimated cost to submit the PCC and implement procedures to ensure that the PCC is submitted timely.
 The Date Required is the date that the PCC was due and the Final Date is the estimated date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance	\$500	TOTAL	\$48
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Screening Date 23-May-2012

Docket No. 2012-1068-AIR-E

PCW

Respondent Devon Gas Services, L.P.

Policy Revision 2 (September 2002)

Case ID No. 44217

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102913225

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 113.1090, 40 CFR § 63.6625(a)(2), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to monitor continuous catalyst inlet temperature as required by MACT standards. Specifically, the catalyst inlet temperature was not monitored on Engine EPNs E-13, E-14, E-15, E-16, E-17, E-18, and E-23.

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 will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 7

98 Number of violation days

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

Violation Base Penalty \$7,000

Seven single events are recommended, one for each engine.

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 \$7,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,422

Violation Final Penalty Total \$9,659

This violation Final Assessed Penalty (adjusted for limits) \$9,659

Economic Benefit Worksheet

Respondent Devon Gas Services, L.P.
Case ID No. 44217
Reg. Ent. Reference No. RN102913225
Media Air
Violation No. 4

Percent Interest 5.0
Years of Depreciation 15

Item Cost **Date Required** **Final Date** **Yrs** **Interest Saved** **Onetime Costs** **EB Amount**
 Item Description 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	\$2,500	5-May-2008	29-Jan-2013	4.74	\$39	\$790	\$829
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$2,500	5-May-2008	29-Jan-2013	4.74	\$592	n/a	\$592
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs Estimated cost to implement procedures and install equipment to monitor the catalyst inlet temperature on the engines. The Date Required is the date the Plant became a Major Source and the Final Date is the estimated date of compliance.

Avoided Costs

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

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 \$1,422

Screening Date 23-May-2012

Docket No. 2012-1068-AIR-E

PCW

Respondent Devon Gas Services, L.P.

Policy Revision 2 (September 2002)

Case ID No. 44217

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102913225

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 113.1090 and 122.143(4), 40 CFR §§ 63.6630(c) and 63.6650(b), Federal Operating Permit No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(21), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit an initial compliance notification for MACT RICE applicable engines. Specifically, the Respondent failed to submit the initial notification within 120 days after becoming subject to MACT RICE standards for Engine EPNs E-17, E-18, and E-23.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
	x			25%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 3

997 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$7,500

Three single events are recommended, one for each report that was not submitted.

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 achieved compliance on June 5, 2011, prior to the NOE dated May 9, 2012.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Estimated EB Amount \$68

Statutory Limit Test

Violation Final Penalty Total \$8,359

This violation Final Assessed Penalty (adjusted for limits) \$8,359

Economic Benefit Worksheet

Respondent Devon Gas Services, L.P.
Case ID No. 44217
Reg. Ent. Reference No. RN102913225
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
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)	\$500	11-Sep-2008	5-Jun-2011	2.73	\$68	n/a	\$68

Notes for DELAYED costs

Estimated cost to submit the initial notifications of compliance for Engine EPNs E-17, E-18, and E-23. The Date Required is the date the first initial notification 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

\$68



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	8-May-2012	Screening	23-May-2012	EPA Due	29-Jan-2013
	PCW	1-Aug-2012				

RESPONDENT/FACILITY INFORMATION

Respondent	Devon Gas Services, L.P.		
Reg. Ent. Ref. No.	RN102913225		
Facility/Site Region	4-Dallas/Fort Worth	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	44217	No. of Violations	1
Docket No.	2012-1068-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	James Nolan
Admin. Penalty \$ Limit Minimum	\$0	EC's Team	Enforcement Team 4
Maximum	\$25,000		

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1 **\$10,500**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **30.0%** Enhancement Subtotals 2, 3, & 7 **\$3,150**

Notes: Enhancement for two NOV's with same/similar violations and one agreed order with 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 **\$0**

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

Total EB Amounts **\$525**
Approx. Cost of Compliance **\$500**
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal **\$13,650**

OTHER FACTORS AS JUSTICE MAY REQUIRE **3.8%** Adjustment **\$525**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to capture the avoided cost of compliance associated with the violation.

Final Penalty Amount **\$14,175**

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty **\$14,175**

DEFERRAL **20.0%** Reduction Adjustment **-\$2,835**

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 **\$11,340**

Screening Date 23-May-2012

Docket No. 2012-1068-AIR-E

PCW

Respondent Devon Gas Services, L.P.

Policy Revision 3 (September 2011)

Case ID No. 44217

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102913225

Media [Statute] Air

Enf. Coordinator James Nolan

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>)	2	10%
	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%
<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) 30%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for two NOVs with same/similar violations and one agreed order with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 30%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 30%

Screening Date 23-May-2012

Docket No. 2012-1068-AIR-E

PCW

Respondent Devon Gas Services, L.P.

Policy Revision 3 (September 2011)

Case ID No. 44217

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102913225

Media [Statute] Air

Enf. Coordinator James Nolan

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 113.1090 and 122.143(4), 40 Code of Federal Regulations §§ 63.6615 and 63.6610(a), Federal Operating Permit No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(21), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to conduct required initial testing for compliance with federal reciprocating internal combustion engines Maximum Achievable Control Technology requirements and failed to conduct subsequent semi-annual compliance testing. Specifically, the Respondent failed to perform emissions testing on Engine Emission Point Number ("EPN") E-16 prior to the November 5, 2011 deadline. Additionally, subsequent semi-annual compliance tests were not conducted on Engine EPNs E-13, E-14, E-15, E-18, and E-23.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 7.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$23,250

\$1,750

Violation Events

Number of Violation Events 6

144 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$10,500

Six single events are recommended, one for each test that was not performed.

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 \$10,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$525

Violation Final Penalty Total \$14,175

This violation Final Assessed Penalty (adjusted for limits) \$14,175

Economic Benefit Worksheet

Respondent Devon Gas Services, L.P.
Case ID No. 44217
Reg. Ent. Reference No. RN102913225
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

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

Notes for DELAYED costs

The Economic Benefit for the violation is assessed with Violation No. 1 of the accompanying PCW.

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)	\$500	5-Nov-2011	6-Dec-2011	1.00	\$25	\$500	\$525

Notes for AVOIDED costs

Estimated avoided costs to perform initial performance testing on Engine EPN E-16. The Date Required is the date the first initial test was due and the Final Date is the date of completion of the engine test.

Approx. Cost of Compliance

\$500

TOTAL

\$525

Compliance History Report

Customer/Respondent/Owner-Operator: CN601320484 Devon Gas Services, L.P. Classification: AVERAGE Rating: 2.96
Regulated Entity: RN102913225 ALLISON COMPRESSOR STATION Classification: AVERAGE Site Rating: 0.75
ID Number(s): AIR NEW SOURCE PERMITS ACCOUNT NUMBER WN0234K
AIR NEW SOURCE PERMITS AFS NUM 484970067
AIR NEW SOURCE PERMITS REGISTRATION 84846
AIR OPERATING PERMITS ACCOUNT NUMBER WN0234K
AIR OPERATING PERMITS PERMIT 2495
AIR EMISSIONS INVENTORY ACCOUNT NUMBER WN0234K
Location: On County Road 4511, 1.02 miles south of the intersection with County Road 4010 near Decatur, Texas
TCEQ Region: REGION 04 - DFW METROPLEX
Date Compliance History Prepared: May 23, 2012
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: May 23, 2007 to May 23, 2012

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

Name: James Nolan Phone: (512) 239-6634

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. If YES, 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.

Effective Date: 12/19/2011

ADMINORDER 2011-0685-AIR-E

Classification: Moderate

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

Rqmt Prov: GOP 514/Site-wide Requirement (b)(2) OP

Description: Failed to report all instances of deviations during the August 1, 2009 through January 31, 2010 and February 1, 2010 through July 31, 2010 deviation reporting periods. Specifically, the deviation reports did not include 532 blowdown events that occurred during the two semi-annual deviation reporting periods. In addition, the Respondent failed to include an emissions event and a failed engine performance test that occurred during the two semi-annual deviation reporting periods.

- 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	11/29/2007	(598899)
2	01/07/2009	(709306)
3	01/05/2010	(785487)
4	06/23/2010	(803254)
5	12/15/2010	(872869)
6	04/18/2011	(906651)
7	02/01/2012	(980871)
8	05/04/2012	(988884)

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

Date: 01/07/2010 (785487) CN601320484

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4245(d)
5C THSC Chapter 382 382.085(b)

Description Failure to submit a complete engine performance test report within 60 days after the test has been completed.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(15)
5C THSC Chapter 382 382.085(b)

Description Failure to certify the accuracy and completeness of the deviation report dated February 27, 2009 by not including a signed certification by a Responsible Official.

Date: 05/09/2012 (988884) CN601320484

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4245(a)(2)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct JJJJ testing within 8760 engine hours.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
DEVON GAS SERVICES, L.P.
RN102913225

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

AGREED ORDER
DOCKET NO. 2012-1068-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 Devon Gas Services, 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 together stipulate that:

1. The Respondent owns and operates a natural gas compressor station on County Road 4511, 1.02 miles south of the intersection with County Road 4010 near Decatur, Wise 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 May 14, 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-Five Thousand Three Hundred Three Dollars (\$45,303) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirty-Six Thousand Two

Hundred Forty-Three Dollars (\$36,243) of the administrative penalty and Nine Thousand Sixty Dollars (\$9,060) 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. By June 5, 2011, the initial compliance notification for federal reciprocating internal combustion engines ("RICE") Maximum Achievable Control Technology ("MACT") requirements for Engine Emission Point Numbers ("EPNs") E-17, E-18, and E-23 was submitted;
 - b. By December 29, 2011, initial compliance testing for federal RICE MACT requirements for Engine EPNs E-16, E-17, E-18, E-23 were completed; and
 - c. By March 28, 2012, semi-annual compliance testing for federal RICE MACT requirements for Engine EPNs E-13, E-14, E-15, E-18, and E-23 were completed.
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 conduct required initial testing for compliance with federal RICE MACT requirements and failed to conduct subsequent semi-annual compliance testing, in violation of 30 TEX. ADMIN. CODE §§ 113.1090 and 122.143(4), 40 CODE OF FEDERAL REGULATIONS ("CFR") §§ 63.6615 and 63.6610(a), Federal Operating Permit No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(21),

and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 15, 2012. Specifically, the Respondent failed to perform emissions testing on Engine EPN E-16 prior to the November 5, 2011 deadline and Engine EPNs E-17, E-18, and E-23 were not tested within 180 days of initial engine startup (November 14, 2008, April 10, 2009, and January 4, 2010 respectively). Additionally, subsequent semi-annual compliance tests were not conducted on Engine EPNs E-13, E-14, E-15, E-18, and E-23.

2. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(1) and (2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 15, 2012. Specifically, deviations related to the failure to demonstrate compliance with RICE standards were not included as deviations in the semi-annual deviation reports for the August 1, 2008 through January 31, 2009, February 1, 2009 through July 31, 2009, August 1, 2010 through January 31, 2011, and February 1, 2011 through July 31, 2011 reporting periods.
3. Failed to submit a permit compliance certification ("PCC") within 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), Federal Operating Permit No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(1) and (2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 15, 2012. Specifically, the PCC for the August 1, 2010, through January 31, 2011 certification period was due by March 2, 2011, but it was not received until March 7, 2011.
4. Failed to monitor continuous catalyst inlet temperature as required by MACT standards, in violation of 30 TEX. ADMIN. CODE § 113.1090, 40 CFR § 63.6625(a)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 15, 2012. Specifically, the catalyst inlet temperature was not monitored on Engine EPNs E-13, E-14, E-15, E-16, E-17, E-18, and E-23.
5. Failed to submit an initial compliance notification for MACT RICE applicable engines, in violation of 30 TEX. ADMIN. CODE §§ 113.1090 and 122.143(4), 40 CFR §§ 63.6630(c) and 63.6650(b), Federal Operating Permit No. O-2495/Oil and Gas General Operating Permit No. 514 Site-wide Requirements (b)(21), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on February 15, 2012. Specifically, the Respondent failed to submit the initial notification within 120 days after becoming subject to MACT RICE standards for Engine EPNs E-17, E-18, and E-23.

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: Devon Gas Services, L.P., Docket No. 2012-1068-AIR-E" to:

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

2. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 30 days after the effective date of this Agreed Order:
 - i. Implement measures and procedures designed to ensure that semi-annual compliance testing is completed and submitted for Engine EPNs E-13, E-14, E-15, E-16, E-17, E-18, and E-23 in a timely manner;
 - ii. Implement procedures designed to ensure that semi-annual deviation reports are complete, accurate, and submitted within 30 days after the end of each deviation reporting period;
 - iii. Implement procedures designed to ensure that PCCs are complete, accurate, and submitted within 30 days after the end of each certification period; and
 - iv. Implement measures and procedures necessary to maintain compliance with 40 CFR § 63.6640 catalyst inlet temperatures recording requirements.
- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a.i. through 2.a.iv. 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

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. 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.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature

affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. 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

Pamela Rowan J
For the Executive Director

2/18/13
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.

Brian Oliver
Signature

10/12/2012
Date

Brian Oliver
Name (Printed or typed)
Authorized Representative of
Devon Gas Services, L.P.

Regional Vice President
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.