

**Executive Summary – Enforcement Matter – Case No. 46103  
Prism Gas Systems I, L.P.  
RN102558939  
Docket No. 2013-0250-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Waskom Gas Processing Plant, 155 Private Road 1133, Waskom, Harrison County

**Type of Operation:**

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:** June 21, 2013

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$17,325

**Amount Deferred for Expedited Settlement:** \$3,465

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$13,860

**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. 46103  
Prism Gas Systems I, L.P.  
RN102558939  
Docket No. 2013-0250-AIR-E**

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** November 27 and 28, 2012

**Date(s) of NOE(s):** January 8, 2013

***Violation Information***

1. Failed to submit a Permit Compliance Certification (“PCC”) within 30 days after the end of the certification period. Specifically, the PCC for the certification period from July 1, 2012 through July 31, 2012 was due on August 30, 2012, but was not submitted until February 18, 2013 [30 TEX. ADMIN. CODE §§ 122.143(4), and 122.146(2), Federal Operating Permit (“FOP”) No. O815/General Operating Permit (“GOP”) No. 514, Site Wide Requirements (“SWR”) (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to submit a semi-annual deviation report within 30 days after the end of the reporting period. Specifically, the deviation report for the reporting period from January 1, 2012 through June 30, 2012 was due on July 30, 2012, but was not submitted until July 31, 2012, and the deviation report for the reporting period from July 1, 2012 through July 31, 2012 was due on August 30, 2012, but was not submitted until February 18, 2013 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), FOP No. O815/GOP No. 514, SWR (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

Respondent has implemented the following corrective measures at the Plant:

a. On July 31, 2012, submitted the semi-annual deviation report for the January 1, 2012 through June 30, 2012 reporting period;

b. On August 1, 2012, sold the Plant; and

c. On February 18, 2013, submitted the semi-annual deviation report for the July 1, 2012 through July 31, 2012 reporting period and the PCC for the July 1, 2012 through July 31, 2012 certification period.

**Technical Requirements:**

N/A

***Litigation Information***

**Date Petition(s) Filed:** N/A

**Date Answer(s) Filed:** N/A

**SOAH Referral Date:** N/A

**Executive Summary – Enforcement Matter – Case No. 46103  
Prism Gas Systems I, L.P.  
RN102558939  
Docket No. 2013-0250-AIR-E**

**Hearing Date(s):** N/A  
**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Nadia Hameed, Enforcement Division,  
Enforcement Team 5, MC R-12, (713) 767-3629; Debra Barber, Enforcement Division,  
MC 219, (512) 239-0412

**TCEQ SEP Coordinator:** N/A

**Respondent:** Roy W. Dowling, Senior Director of Environmental, Health and Safety,  
Prism Gas Systems I, L.P. care of Martin Resource Management Corporation, 10100  
Woolworth Road, Keithville, Louisiana 71047

**Respondent's Attorney:** N/A





# Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

<b>DATES</b>	<b>Assigned</b>	14-Jan-2013	<b>Screening</b>	16-Jan-2013	<b>EPA Due</b>	14-Sep-2013
	<b>PCW</b>	29-Jan-2013				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Prism Gas Systems I, L.P.
<b>Reg. Ent. Ref. No.</b>	RN102558939
<b>Facility/Site Region</b>	5-Tyler
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	46103	<b>No. of Violations</b>	2
<b>Docket No.</b>	2013-0250-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Nadia Hameed
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	<b>\$11,250</b>
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### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

<b>Compliance History</b>	<b>64.0%</b> Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$7,200</b>
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Notes: Enhancement for one NOV with same/similar violations and three orders with denial of liability. Reduction for one notice of intent to conduct an audit.

<b>Culpability</b>	No	<b>0.0%</b> Enhancement	<b>Subtotal 4</b>	<b>\$0</b>
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Notes: The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	<b>\$1,125</b>
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<b>Economic Benefit</b>	<b>0.0%</b> Enhancement*	<b>Subtotal 6</b>	<b>\$0</b>
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Total EB Amounts: \$13  
 Approx. Cost of Compliance: \$500  
 \*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	<b>\$17,325</b>
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	<b>0.0%</b>	<b>Adjustment</b>	<b>\$0</b>
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

<b>Final Penalty Amount</b>	<b>\$17,325</b>
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	<b>\$17,325</b>
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<b>DEFERRAL</b>	<b>20.0%</b> Reduction	<b>Adjustment</b>	<b>-\$3,465</b>
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	<b>\$13,860</b>
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**Screening Date** 16-Jan-2013

**Docket No.** 2013-0250-AIR-E

**PCW**

**Respondent** Prism Gas Systems I, L.P.

Policy Revision 3 (September 2011)

**Case ID No.** 46103

PCW Revision August 3, 2011

**Reg. Ent. Reference No.** RN102558939

**Media [Statute]** Air

**Enf. Coordinator** Nadia Hameed

**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> )	3	60%
	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> )	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	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)** 64%

>> **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 and three orders with denial of liability.  
Reduction for one notice of intent to conduct an audit.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 64%

>> **Final Compliance History Adjustment**

**Final Adjustment Percentage \*capped at 100%** 64%

Screening Date 16-Jan-2013

Docket No. 2013-0250-AIR-E

PCW

Respondent Prism Gas Systems I, L.P.

Policy Revision 3 (September 2011)

Case ID No. 46103

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Federal Operating Permit ("FOP") No. O815/General Operating Permit ("GOP") No. 514, Site Wide Requirements ("SWR") (b)(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 certification period from July 1, 2012 through July 31, 2012 was due on August 30, 2012, but was not submitted until February 18, 2013.

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 15.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

172 Number of violation days

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

Violation Base Penalty \$3,750

One single event is recommended for the one late PCC.

Good Faith Efforts to Comply

10.0% Reduction

\$375

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

Notes

The Respondent completed the corrective actions on February 18, 2013, after the January 8, 2013 NOE.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6

Violation Final Penalty Total \$5,775

This violation Final Assessed Penalty (adjusted for limits) \$5,775

## Economic Benefit Worksheet

**Respondent** Prism Gas Systems I, L.P.  
**Case ID No.** 46103  
**Reg. Ent. Reference No.** RN102558939  
**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				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	30-Aug-2012	18-Feb-2013	0.47	\$6	n/a	\$6

**Notes for DELAYED costs**

Estimated cost to submit a complete and accurate PCC. The date required was the due date for the PCC. 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

\$250

**TOTAL**

\$6

Screening Date 16-Jan-2013

Docket No. 2013-0250-AIR-E

PCW

Respondent Prism Gas Systems I, L.P.

Policy Revision 3 (September 2011)

Case ID No. 46103

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(C), FOP No. 0815/GOP No. 514, SWR (b)(2), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit a semi-annual deviation report within 30 days after the end of the reporting period. Specifically, the deviation report for the reporting period from January 1, 2012 through June 30, 2012 was due on July 30, 2012, but was not submitted until July 31, 2012, and the deviation report for the reporting period from July 1, 2012 through July 31, 2012 was due on August 30, 2012 but was not submitted until February 18, 2013.

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 15.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2

172 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$7,500

Two single events are recommended for the two late reports.

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 completed the corrective actions on February 18, 2013, after the January 8, 2013 NOE.

Violation Subtotal \$6,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$7

Violation Final Penalty Total \$11,550

This violation Final Assessed Penalty (adjusted for limits) \$11,550

## Economic Benefit Worksheet

**Respondent** Prism Gas Systems I, L.P.  
**Case ID No.** 46103  
**Reg. Ent. Reference No.** RN102558939  
**Media** Air  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

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

### Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	30-Jul-2012	18-Feb-2013	0.56	\$7	n/a	\$7

**Notes for DELAYED costs**

Estimated cost to submit the semi-annual deviation report. The date required is the first due date for the deviation report. The final date is the 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

\$250

**TOTAL**

\$7



# Compliance History Report

**PUBLISHED** Compliance History Report for CN602757411, RN102558939, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

**Customer, Respondent, or Owner/Operator:** CN602757411, Prism Gas Systems I, L.P      **Classification:** SATISFACTORY      **Rating:** 31.30

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**Regulated Entity:** RN102558939, WASKOM GAS PROCESSING PLANT      **Classification:** SATISFACTORY      **Rating:** 31.30

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**Complexity Points:** 10      **Repeat Violator:** NO

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**CH Group:** 03 - Oil and Gas Extraction

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**Location:** 155 PRIVATE ROAD 1133 WASKOM, TX 75692-5037, HARRISON COUNTY

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**TCEQ Region:** REGION 05 - TYLER

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**ID Number(s):**

<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 15145	<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 32829
<b>AIR NEW SOURCE PERMITS</b> ACCOUNT NUMBER HH0005S	<b>AIR NEW SOURCE PERMITS</b> AFS NUM 4820300005
<b>AIR OPERATING PERMITS</b> ACCOUNT NUMBER HH0005S	<b>AIR OPERATING PERMITS</b> PERMIT 815
<b>AIR EMISSIONS INVENTORY</b> ACCOUNT NUMBER HH0005S	

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

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**Date Compliance History Report Prepared:** February 28, 2013

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**Agency Decision Requiring Compliance History:** Enforcement

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**Component Period Selected:** January 18, 2008 to January 18, 2013

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

**Name:** Nadia Hameed      **Phone:** (713) 767-3629

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**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: 07/21/2008      ADMINORDER 2008-0058-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(e)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Description: Failed to meet the minimum reporting requirements for four excess opacity events.  
Classification: Moderate  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: 32829 PERMIT  
Description: Failure to prevent unauthorized emissions during five excess opacity events.
  
- 2      Effective Date: 03/20/2010      ADMINORDER 2009-1265-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP 514 SWR (b)(8)(A)(iv)(c)/(B)(iv)(c) OP

Description: Failed to maintain records of quarterly visible emissions observations of stationary vents.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP 514 SWR (b)(7)(E)(ii) OP

Standard Permit General Conditions PERMIT

Description: Failure to adhere to the permitted allowable emission limit for carbon monoxide ("CO").

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.0518(a)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP 514 SWR (b)(7)(A) OP

Description: Failed to obtain air permit authorization prior to construction (extension of the de-methanizer column and the addition of another tray).

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter F 116.620(c)(2)(B)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP 514 SWR (b)(7)(F)(ii) OP

Description: Failed to repair seven leaking pumps (component numbers 18283, 18304, 18978, 20007, 21632, 10160, and 10584) within 15 days of discovering the leaks, and failed to repair 45 valves within 15 days of discovering the leaks

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 116, SubChapter F 116.620(c)(2)(I)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632(a)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(a)(1)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP 514 Permit Tables (c)(11) OP

GOP 514 SWR (b)(7)(F)(ii) OP

Description: Failed to perform monthly monitoring on 8 pumps.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter F 116.620(c)(2)(I)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP 514 SWR (b)(7)(F)(ii) OP

Description: Failed to conduct quarterly monitoring on 8 compressors.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632(a)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-10(f)(2)(ii)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP 514 Permit Tables (c)(11) OP

Description: Failed to conduct annual monitoring on 18 components (flanges) in the closed vent system in Plants 1 and 2.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632(a)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP 514 Permit Tables (c)(11) OP

Description: Failed to equip two open-ended lines with a cap, blind flange, plug, or second valve.

3

Effective Date: 02/05/2011

ADMINORDER 2010-0887-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 32829 PERMIT

OP 815, GOP 514 SWR (b)(7)(E)(ii) OP

Description: Failed to adhere to the permitted allowable limits for carbon monoxide ("CO") and nitrogen oxides ("NOx"). Specifically, the permitted allowable limits for CO is 1.91 lbs/hr and 3.02 lbs/hr for NOx. The results of a stack test conducted on July 28, 2009 showed the actual rates to be 3.15 lbs/hr for NOx for Emission Point Number ("EPN") TCM-101A, 3.12 lbs/hr of NOx for EPN TCM-101B, 3.40 lbs/hr of NOx for EPN TCM-101-C, and 3.04 lbs/hr of NOx and 3.65 lbs/hr of CO for EPN TCM-101D.

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

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

Item 1	May 08, 2008	(657320)
Item 2	November 10, 2008	(706080)
Item 3	November 04, 2009	(779513)
Item 4	July 05, 2010	(829540)
Item 5	June 24, 2011	(933306)

**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:	08/29/2012	(1028582)	CN602757411	
	Self Report?	NO		Classification:	Moderate
	Citation:	(b) Site-wide requirements. OP 30 TAC Chapter 122, SubChapter B 122.143(4) 30 TAC Chapter 122, SubChapter B 122.145(2)(C) 30 TAC Chapter 122, SubChapter B 122.146(2) 5C THSC Chapter 382 382.085(b)			
	Description:	Failure to submit a Title V Compliance Certification and Semiannual Deviation Report in a timely manner.			

**F. Environmental audits:**

Notice of Intent Date: 06/27/2012 (1020227)

No DOV Associated

**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  
PRISM GAS SYSTEMS I, L.P.  
RN102558939**

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

**AGREED ORDER  
DOCKET NO. 2013-0250-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 Prism Gas Systems I, 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 owned and operated a gas processing plant located at 155 Private Road 1133 in Waskom, Harrison 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 January 13, 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 Seventeen Thousand Three Hundred Twenty-Five Dollars (\$17,325) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirteen Thousand Eight Hundred Sixty Dollars (\$13,860) of the administrative penalty and

Three Thousand Four Hundred Sixty-Five Dollars (\$3,465) 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. On July 31, 2012, submitted the semi-annual deviation report for the January 1, 2012 through June 30, 2012 reporting period;
  - b. On August 1, 2012, sold the Plant; and
  - c. On February 18, 2013, submitted the semi-annual deviation report for the July 1, 2012 through July 31, 2012 reporting period and the Permit Compliance Certification ("PCC") for the July 1, 2012 through July 31, 2012 certification period.
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 previous owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to submit a 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 ("FOP") No. O815/General Operating Permit ("GOP") No. 514, Site Wide Requirements ("SWR") (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on November 27 and 28, 2012.

Specifically, the PCC for the certification period from July 1, 2012 through July 31, 2012 was due on August 30, 2012, but was not submitted until February 18, 2013.

2. Failed to submit a semi-annual deviation report within 30 days after the end of the reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), FOP No. 0815/GOP No. 514, SWR (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on November 27 and 28, 2012. Specifically, the deviation report for the reporting period from January 1, 2012 through June 30, 2012 was due on July 30, 2012, but was not submitted until July 31, 2012, and the deviation report for the reporting period from July 1, 2012 through July 31, 2012 was due on August 30, 2012, but was not submitted until February 18, 2013.

### 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: Prism Gas Systems I, L.P., Docket No. 2013-0250-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.
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

  
For the Executive Director

7/19/13  
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.

  
Signature

7/2/13  
Date

Chris Booth  
Name (Printed or typed)  
Authorized Representative of  
Prism Gas Systems I, L.P.

Vice President/General Counsel  
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.