

**Executive Summary – Enforcement Matter – Case No. 47562**  
**Eagle Rock Field Services, L.P.**  
**RN100215227**  
**Docket No. 2013-1669-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

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

Canadian Gas Plant, located 3 miles south of Canadian on Highway 83 and 0.3 mile west on a gravel road, Hemphill County

**Type of Operation:**

Natural gas processing plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** January 31, 2014

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$11,250

**Amount Deferred for Expedited Settlement:** \$2,250

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

**Total Paid to General Revenue:** \$4,500

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**SEP Conditional Offset:** \$4,500

Name of SEP: Borger Independent School District

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - High

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** September 2011

***Investigation Information***

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

**Complaint Information:** N/A

**Date(s) of Investigation:** July 26, 2013

**Date(s) of NOE(s):** August 23, 2013

**Executive Summary – Enforcement Matter – Case No. 47562  
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RN100215227  
Docket No. 2013-1669-AIR-E**

***Violation Information***

Failed to comply with the annual emissions limit of 21.02 tons per year of volatile organic compounds (“VOC”) from Condensate Tank TK-4 (Emission Point Number TK-4). Specifically, Condensate Tank TK-4 emitted 42.34 tons of VOC during calendar year 2011 and 60.49 tons of VOC during calendar year 2012, resulting in the unauthorized release of 21.32 tons of VOC in calendar year 2011 and 39.47 tons of VOC in calendar year 2012 [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 116.615(2), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit No. O306/Oil and Gas General Operating Permit No. 514, Site-wide Requirements (b)(8)(E)(ii), and Standard Permit Registration No. 37608].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures:

- a. On June 6, 2012, updated VOC emissions representations for Standard Permit Registration No. 37608;
- b. By August 14, 2012, installed and began operating a vapor recovery unit to control emissions; and
- c. By January 1, 2013, began complying with the VOC emissions limit.

**Technical Requirements:**

The Order will require the Respondent to implement and complete a Supplemental Environmental Project (“SEP”). (See SEP Attachment A)

***Litigation Information***

**Date Petition(s) Filed:** N/A  
**Date Answer(s) Filed:** N/A  
**SOAH Referral Date:** N/A  
**Hearing Date(s):** N/A  
**Settlement Date:** N/A

**Executive Summary – Enforcement Matter – Case No. 47562**  
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***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Rachel Bekowies, Enforcement Division,  
Enforcement Team 4, MC 149, (512) 239-2608; Candy Garrett, Enforcement Division,  
MC 219, (512) 239-1456

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

**Respondent:** Rachel M. Trainer, Environmental Director, Eagle Rock Field Services,  
L.P., P.O. Box 2968, Houston, Texas 77252-2968

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



**Attachment A**  
**Docket Number: 2013-1669-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	Eagle Rock Field Services, L.P.
<b>Penalty Amount:</b>	Nine Thousand Dollars (\$9,000)
<b>SEP Offset Amount:</b>	Four Thousand Five Hundred Dollars (\$4,500)
<b>Type of SEP:</b>	Contribution to a Third-Party Pre-Approved SEP
<b>Third-Party Administrator:</b>	Borger Independent School District ("ISD")
<b>Project Name:</b>	<i>Borger ISD Clean School Bus Replacement Program</i>
<b>Location of SEP:</b>	Texas Air Quality Control Region 211 -Amarillo - Lubbock

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

**1. Project Description**

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

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

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

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

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution, with a copy of the Agreed Order to:

Borger Independent School District  
200 East Ninth Street  
Borger, Texas 79008-1177

**3. Records and Reporting**

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

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

**4. Failure to Fully Perform**

If Respondent does not perform its obligations under this SEP agreement in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount.

Eagle Rock Field Services, L.P.  
Agreed Order - Attachment A

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

**5. Publicity**

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

**6. Clean Texas Program**

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

**7. Other SEPs by TCEQ or Other Agencies**

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





# Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

<b>DATES</b>	<b>Assigned PCW</b>	26-Aug-2013	<b>Screening</b>	5-Sep-2013	<b>EPA Due</b>	20-May-2014
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<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Eagle Rock Field Services, L.P.
<b>Reg. Ent. Ref. No.</b>	RN100215227
<b>Facility/Site Region</b>	1-Amarillo
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	47562	<b>No. of Violations</b>	1
<b>Docket No.</b>	2013-1669-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>	Rachel Bekowies
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$15,000**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

**Compliance History** **0.0%** Enhancement **Subtotals 2, 3, & 7** **\$0**

Notes: Enhancement for one NOV with dissimilar violations. Reduction for one Disclosure of Violations.

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

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **\$3,750**

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

Total EB Amounts	\$14,096
Approx. Cost of Compliance	\$200,900

\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$11,250**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

**Final Penalty Amount** **\$11,250**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$11,250**

**DEFERRAL** **20.0%** Reduction **Adjustment** **-\$2,250**

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** **\$9,000**

Screening Date 5-Sep-2013

Docket No. 2013-1669-AIR-E

PCW

Respondent Eagle Rock Field Services, L.P.

Policy Revision 3 (September 2011)

Case ID No. 47562

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100215227

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

### 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> )	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of 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> )	1	-2%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

**Adjustment Percentage (Subtotal 2)** 0%

>> 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 dissimilar violations. Reduction for one Disclosure of Violations.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 0%

>> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 0%

Screening Date 5-Sep-2013

Docket No. 2013-1669-AIR-E

PCW

Respondent Eagle Rock Field Services, L.P.

Policy Revision 3 (September 2011)

Case ID No. 47562

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100215227

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F), 116.615(2), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit No. O306/Oil and Gas General Operating Permit No. 514, Site-wide Requirements (b)(8)(E)(ii), and Standard Permit Registration No. 37608

Violation Description Failed to comply with the annual emissions limit of 21.02 tons per year of volatile organic compounds ("VOC") from Condensate Tank TK-4 (Emission Point Number TK-4). Specifically, Condensate Tank TK-4 emitted 42.34 tons of VOC during calendar year 2011 and 60.49 tons of VOC during calendar year 2012, resulting in the unauthorized release of 21.32 tons of VOC in calendar year 2011 and 39.47 tons of VOC in calendar year 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), and Percent (30.0%). Includes 'OR' label.

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, and Percent (0.0%).

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

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 2 Number of violation days 367

Table for frequency selection: daily, weekly, monthly, quarterly, semiannual, annual (marked with x), single event.

Violation Base Penalty \$15,000

Two annual events are recommended based on the two years that the annual emissions limit was exceeded.

Good Faith Efforts to Comply

Table for Good Faith Efforts: Reduction (25.0%), Before NOV, NOV to EDRP/Settlement Offer, Extraordinary, Ordinary (marked with x), N/A (mark with x).

\$3,750

Notes The Respondent completed corrective actions by January 1, 2013, prior to the August 23, 2013 Notice of Enforcement.

Violation Subtotal \$11,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$14,096

Violation Final Penalty Total \$11,250

This violation Final Assessed Penalty (adjusted for limits) \$11,250

# Economic Benefit Worksheet

**Respondent** Eagle Rock Field Services, L.P.  
**Case ID No.** 47562  
**Reg. Ent. Reference No.** RN100215227  
**Media** Air  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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	\$200,000	31-Dec-2011	1-Jan-2013	1.01	\$670	\$13,406	\$14,077
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	\$900	31-Dec-2011	6-Jun-2012	0.43	\$19	n/a	\$19
Other (as needed)				0.00	\$0	n/a	\$0

**Notes for DELAYED costs**

Estimated costs to submit a permit revision application to update VOC emissions representations for Standard Permit Registration No. 37608 and to install a vapor recovery unit to control VOC emissions and to comply with the VOC emissions limit. The Date Required is the first date of noncompliance. The June 6, 2012 Final Date is the date that the permit revision was issued. The January 1, 2013 Final Date is the date the Respondent began complying with the VOC emissions limit due to the installation and start-up of the vapor recovery unit on August 14, 2012.

### 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

\$200,900

**TOTAL**

\$14,096



# Compliance History Report

**PUBLISHED** Compliance History Report for CN602959397, RN100215227, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

<b>Customer, Respondent, or Owner/Operator:</b>	CN602959397, Eagle Rock Field Services, L.P.	<b>Classification:</b> SATISFACTORY	<b>Rating:</b> 3.16
<b>Regulated Entity:</b>	RN100215227, CANADIAN GAS PLANT	<b>Classification:</b> HIGH	<b>Rating:</b> 0.00
<b>Complexity Points:</b>	5	<b>Repeat Violator:</b> NO	
<b>CH Group:</b>	03 - Oil and Gas Extraction		
<b>Location:</b>	3 MILES SOUTH OF CANADIAN ON HIGHWAY 83 AND 0.3 MILE WEST ON GRAVEL ROAD HEMPHILL COUNTY, TEXAS		
<b>TCEQ Region:</b>	REGION 01 - AMARILLO		

**ID Number(s):**

<b>AIR OPERATING PERMITS</b> ACCOUNT NUMBER HL0008T	<b>AIR OPERATING PERMITS</b> PERMIT 306
<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 10453	<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 24592
<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 37608	<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 48133
<b>AIR NEW SOURCE PERMITS</b> ACCOUNT NUMBER HL0008T	<b>AIR NEW SOURCE PERMITS</b> AFS NUM 4821100010
<b>AIR EMISSIONS INVENTORY</b> ACCOUNT NUMBER HL0008T	

<b>Compliance History Period:</b>	September 01, 2007 to August 31, 2012	<b>Rating Year:</b>	2012	<b>Rating Date:</b>	09/01/2012
<b>Date Compliance History Report Prepared:</b>	August 29, 2013				
<b>Agency Decision Requiring Compliance History:</b>	Enforcement				
<b>Component Period Selected:</b>	August 29, 2008 to August 29, 2013				

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

**Name:** Rachel Bekowies **Phone:** (512) 239-2608

**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:**  
N/A

**B. Criminal convictions:**  
N/A

**C. Chronic excessive emissions events:**  
N/A

**D. The approval dates of investigations (CCEDS Inv. Track. No.):**  
Item 1 March 09, 2011 (900987)

**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.

Date: 08/23/2013 (1113339) CN602959397  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4243(b)(2)(ii)  
 5C THSC Chapter 382 382.085(b)  
 GOP ATO No. O306 OP  
 Description: Failure to develop maintenance plan in accordance with NSPS JJJJ for C-9  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(i)  
 30 TAC Chapter 116, SubChapter F 116.620(a)(4)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 GOP ATO No. O306 OP  
 Description: Failure to maintain oxygen sensor replacement records  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(ii)  
 30 TAC Chapter 116, SubChapter F 116.620(a)(4)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 GOP ATO No. O306 OP  
 Description: Failure to measure NOx and CO emissions within 7 days of oxygen sensor replacement  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
 5C THSC Chapter 382 382.085(b)  
 GOP ATO No. O306 OP  
 Description: failure to include all instances of deviations on deviation reports

#### F. Environmental audits:

Notice of Intent Date: 07/22/2008 (702877)  
 Disclosure Date: 12/15/2008  
 Viol. Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter A 101.10  
 30 TAC Chapter 101, SubChapter A 101.27  
 Rqmt Prov: PERMIT Standard Permit 37608  
 Description: Failure to submit accurate 2006 and 2007 emissions inventories.  
 Viol. Classification: Moderate  
 Citation: 5C THSC Chapter 382 382.085(b)  
 Rqmt Prov: PERMIT General Operating Permit O-00306  
 PERMIT Standard Permit 37608  
 Description: Made mis-representations in permit application.  
 Viol. Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 40 CFR Part 60, Subpart A 60.18  
 Description: Failure to comply with visual monitoring requirements.  
 Viol. Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 40 CFR Part 60, Subpart A 60.18  
 Rqmt Prov: PERMIT General Operating Permit O-00306  
 PERMIT Standard Permit 37608  
 Description: Failure to document the flare gas velocity at F-1/Process Flare-Pilot Gas & Process Stream Combustion.  
 Viol. Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 40 CFR Part 60, Subpart A 60.18  
 Rqmt Prov: PERMIT General Operating Permit O-00306  
 PERMIT Standard Permit 37608  
 Description: Failure to properly monitor the F-2/Acid Gas Flare.  
 Viol. Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 40 CFR Part 60, Subpart A 60.18  
 Rqmt Prov: PERMIT General Operating Permit O-00306  
 PERMIT Standard Permit 37608  
 Description: Failure to maintain documentation of gas analyses of flare gas or process knowledge calculations to document the net heating value of the gas at the F-2/Acid Gas Flare.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
40 CFR Part 60, Subpart A 60.18

Rqmt Prov: PERMIT General Operating Permit O-00306  
PERMIT Standard Permit 37608

Description: Failure to document the flare gas exit velocity at the F-2/Acid Gas Flare.

Viol. Classification: Major

Citation: 5C THSC Chapter 382 382.085(b)

Rqmt Prov: PERMIT General Operating Permit O-00306  
PERMIT Standard Permit 37608

Description: Failure to represent or permit the following equipment: TK-1 Condensate 1000 bbl bullet tank, SV-54 1000 gal Gasoline Tank, SV-47 90 bbl Methanol Tank, SV-30.11 3000 gal Amine Drain Tank, SV-51 100 bbl Glycol Tank, SV-42 500 bbl Water Tank, SV-52 Amine 100 bbls, SV-56 1000 gal Diesel Tank, SV-50 150 bbl 50/50 antifreeze Tank, SV-49 300 bbl Lube Oil Tank, SV-57 500 gal Solvent Tank, 1000 gal Spent Lube Oil Tank, Safety Cleaning Station, Condensate Tank 400 bbls.

Viol. Classification: Moderate

Citation: 5C THSC Chapter 382 382.085(b)

Rqmt Prov: PERMIT General Operating Permit O-00306  
PERMIT Standard Permit 37608

Description: Allowable emission rates were exceeded.

**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  
EAGLE ROCK FIELD SERVICES,  
L.P.  
RN100215227**

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

**AGREED ORDER  
DOCKET NO. 2013-1669-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 Eagle Rock Field Services, L.P. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas processing plant located 3 miles south of Canadian on Highway 83 and 0.3 mile west on a gravel road, in Hemphill 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 August 28, 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 Eleven Thousand Two Hundred Fifty Dollars (\$11,250) is assessed by the Commission in settlement of the violations alleged in Section

II ("Allegations"). The Respondent has paid Four Thousand Five Hundred Dollars (\$4,500) of the administrative penalty and Two Thousand Two Hundred Fifty Dollars (\$2,250) 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. Four Thousand Five Hundred Dollars (\$4,500) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director 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 June 6, 2012, updated volatile organic compounds ("VOC") emissions representations for Standard Permit Registration No. 37608;
  - b. By August 14, 2012, installed and began operating a vapor recovery unit to control emissions; and
  - c. By January 1, 2013, began complying with the VOC emissions limit.
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 failed to comply with the annual emissions limit of 21.02 tons per year of VOC from Condensate Tank TK-4 (Emission Point Number TK-4), in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 116.615(2), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit No. O306/Oil and Gas General Operating Permit No. 514, Site-wide Requirements (b)(8)(E)(ii), and Standard Permit Registration No. 37608, as documented during a record review conducted on July 26, 2013. Specifically, Condensate Tank TK-4 emitted 42.34 tons of VOC during calendar year 2011 and 60.49 tons of VOC during calendar year 2012, resulting in the unauthorized release of 21.32 tons of VOC in calendar year 2011 and 39.47 tons of VOC in calendar year 2012.

## 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: Eagle Rock Field Services, L.P., Docket No. 2013-1669-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

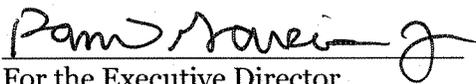
2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Four Thousand Five Hundred Dollars (\$4,500) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. 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

  
\_\_\_\_\_  
For the Executive Director

4/2/14

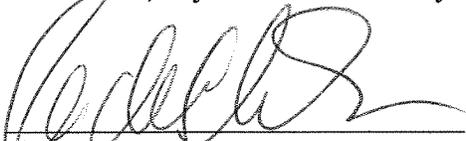
\_\_\_\_\_  
Date

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

12/09/2013  
\_\_\_\_\_  
Date

Rachel M. Trainer  
Name (Printed or typed)  
Authorized Representative of  
Eagle Rock Field Services, L.P.

Environmental Director  
\_\_\_\_\_  
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.



**Attachment A**  
**Docket Number: 2013-1669-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	Eagle Rock Field Services, L.P.
<b>Penalty Amount:</b>	Nine Thousand Dollars (\$9,000)
<b>SEP Offset Amount:</b>	Four Thousand Five Hundred Dollars (\$4,500)
<b>Type of SEP:</b>	Contribution to a Third-Party Pre-Approved SEP
<b>Third-Party Administrator:</b>	Borger Independent School District ("ISD")
<b>Project Name:</b>	<i>Borger ISD Clean School Bus Replacement Program</i>
<b>Location of SEP:</b>	Texas Air Quality Control Region 211 -Amarillo - Lubbock

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

**1. Project Description**

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

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

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

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

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution, with a copy of the Agreed Order to:

Borger Independent School District  
200 East Ninth Street  
Borger, Texas 79008-1177

**3. Records and Reporting**

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

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

**4. Failure to Fully Perform**

If Respondent does not perform its obligations under this SEP agreement in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

**5. Publicity**

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

**6. Clean Texas Program**

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

**7. Other SEPs by TCEQ or Other Agencies**

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