Executive Summary – Enforcement Matter – Case No. 48516
Apache Corporation
RN105148613
Docket No. 2014-0495-AIR-E

Order Type:
1660 Agreed Order
Findings Order Justification:
N/A
Media:
AIR
Small Business:
No
Location(s) Where Violation(s) Occurred:
Stiles 4-1 Production Facility, two miles south of the intersection of State Highway 152 and Farm-to-Market Road 592, Wheeler County
Type of Operation:
Natural gas production plant
Other Significant Matters:
Additional Pending Enforcement Actions: No
Past-Due Penalties: No
Other: N/A
Interested Third-Parties: None
Texas Register Publication Date: October 3, 2014
Comments Received: No

Penalty Information

Total Penalty Assessed: $25,071
Amount Deferred for Expedited Settlement: $5,014
Amount Deferred for Financial Inability to Pay: $0
Total Paid to General Revenue: $20,057
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

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: January 28, 2014 through January 29, 2014
Date(s) of NOE(s): March 19, 2014

Executive Summary – Enforcement Matter – Case No. 48516
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Violation Information

1. Failed to maintain a complete final record for a non-reportable emissions event. Specifically, a final record for a non-reportable emissions event that occurred on November 16, 2013 was not maintained [30 TEX. ADMIN. CODE §§ 101.201(b) and 122.143(4), Federal Operating Permit ("FOP") No. O2964/General Operating Permit ("GOP") No. 514, Site-Wide Requirements (b)(28)(F), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to provide a timely notification of the start of construction, completion of construction, and commencement of operations to the TCEQ Amarillo Regional Office. Specifically, the AJAX Compressor Engine, Emissions Point Number ("EPN") E-2, was installed and commenced operation on June 12, 2012 and the notification was due on June 26, 2012 but was not submitted until April 8, 2014 [30 TEX. ADMIN. CODE §§ 116.615(4) and (5) and 122.143(4), FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(8)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to limit blowdown events to approximately 24 per year with each event lasting no longer than one hour and venting no more than 15,000 standard cubic feet ("scf"). Specifically, on November 16, 2013, one blowdown event occurred that exceeded the limit of approximately 24 blowdown events per year [30 TEX. ADMIN. CODE §§ 116.615(10) and 122.143(4), Standard Permit Registration No. 81348, FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(8)(B), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to submit permit compliance certifications ("PCCs") within 30 days after the end of the certification period. Specifically, the PCCs for the certification periods from October 3, 2011 through October 2, 2012 and from October 3, 2012 through October 2, 2013 were due November 1, 201 and November 1, 2013, respectively, but were not submitted until January 13, 2014 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

5. Failed to submit a semi-annual deviation report. Specifically, for the October 3, 2012 through April 2, 2013 reporting period, the Respondent failed to submit a semi-annual deviation report to report the failure to submit a timely PCC [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

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Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following:

a. On January 13, 2014, submitted the PCCs for the certification periods from October 3, 2011 through October 2, 2012 and from October 3, 2012 through October 2, 2013; and

b. On April 8, 2014, submitted notification of the start of construction, completion of construction, and commencement of operations for the AJAX Compressor Engine, EPN E-2, to the TCEQ Amarillo Regional Office.

Technical Requirements:

The Order will require the Respondent to:

a. Within 30 days:

i. Implement measures and/or procedures to ensure that complete and accurate deviation reports are submitted in a timely manner;

ii. Implement measures and/or procedures to ensure that complete final records are maintained for non-reportable emissions events; and

iii. Implement measures and/or procedures to limit blowdown events to approximately 24 per year with each event lasting no longer than one hour and venting no more than 15,000 scf.

b. Within 45 days, submit written certification demonstrating compliance with Ordering Provisions a.i. through a.iii.

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

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: David Carney, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-2583; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456
TCEQ SEP Coordinator: N/A
Respondent: Michael Young, Production Services Manager, Apache Corporation, 6120 South Yale Avenue, Suite 1500, Tulsa, OK 74136
Respondent's Attorney: N/A

Penalty Calculation Worksheet (PCW)

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

TCEQ

DATES

Assigned	24-Mar-2014				
PCW	23-Jul-2014	**Screening**	2-Apr-2014	**EPA Due**	14-Dec-2014

RESPONDENT/FACILITY INFORMATION

Respondent	Apache Corporation		
Reg. Ent. Ref. No.	RN105148613		
Facility/Site Region	1-Amarillo	**Major/Minor Source**	Major

CASE INFORMATION

Enf./Case ID No.	48516	**No. of Violations**	5
Docket No.	2014-0495-AIR-E	**Order Type**	1660
Media Program(s)	Air	**Government/Non-Profit**	No
Multi-Media		**Enf. Coordinator**	David Carney
		EC's Team	Enforcement Team 5

Admin. Penalty $ Limit Minimum $0 Maximum $25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* **$22,500**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **19.0%** Enhancement — *Subtotals 2, 3, & 7* **$4,275**

Notes: Enhancement for one agreed order with denial of liability and reduction for one notice of intent to conduct an audit.

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* **-$2,250**

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

Total EB Amounts $956
Approx. Cost of Compliance $7,511
**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 — *Final Subtotal* **$24,525**

OTHER FACTORS AS JUSTICE MAY REQUIRE **2.2%** — *Adjustment* **$546**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to capture the avoided costs of compliance associated with Violation Nos. 1 and 5.

Final Penalty Amount **$25,071**

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* **$25,071**

DEFERRAL **20.0%** Reduction — *Adjustment* **-$5,014**

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 **$20,057**

Screening Date 2-Apr-2014 **Docket No.** 2014-0495-AIR-E **PCW**

Respondent Apache Corporation

Policy Revision 3 (September 2011)

Case ID No. 48516

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator David Carney

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 (*number of NOVs meeting criteria*)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	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 (*number of judgments or consent decrees meeting criteria*)	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 (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	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 *(number of audits for which notices were submitted)*	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	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) 19%

>> 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 agreed order with denial of liability and reduction for one notice of intent to conduct an audit.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 19%

>> Final Compliance History Adjustment

Final Adjustment Percentage ****capped at 100%*** 19%

Screening Date 2-Apr-2014 **Docket No.** 2014-0495-AIR-E **PCW**

Respondent Apache Corporation *Policy Revision 3 (September 2011)*

Case ID No. 48516 *PCW Revision August 3, 2011*

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(b) and 122.143(4), Federal Operating Permit ("FOP") No. O2964/General Operating Permit ("GOP") No. 514, Site-Wide Requirements (b)(28)(F), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain a complete final record for a non-reportable emissions event. Specifically, a final record for a non-reportable emissions event that occurred on November 16, 2013 was not maintained.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR	Harm			
Release	Major	Moderate	Minor	
Actual				
Potential				

Percent 0.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

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

Adjustment $21,250

$3,750

Violation Events

Number of Violation Events: 1 — 123 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 one final record that was not maintained.

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 $3,750

Economic Benefit (EB) for this violation

Estimated EB Amount $318

Statutory Limit Test

Violation Final Penalty Total $4,562

This violation Final Assessed Penalty (adjusted for limits) $4,562

Economic Benefit Worksheet

Respondent Apache Corporation
Case ID No. 48516
Reg. Ent. Reference No. RN105148613
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	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	$1,000	30-Nov-2013	2-Jan-2015	1.09	$55	n/a	$55
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	Estimated cost to implement measures and/or procedures to ensure that complete final records are maintained for non-reportable emissions events. The Date Required is the date the record was required to be made 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]	$250	30-Nov-2013	28-Jan-2014	1.08	$13	$250	$263
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs	Estimated avoided cost to create and maintain a final record for a non-reportable emissions event. The Date Required is the date the final record was due to be created and the Final Date is the investigation date.						

Approx. Cost of Compliance $1,250

TOTAL $318

Screening Date 2-Apr-2014 **Docket No.** 2014-0495-AIR-E **PCW**

Policy Revision 3 (September 2011)

Respondent Apache Corporation

PCW Revision August 3, 2011

Case ID No. 48516

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.615(4) and (5) and 122.143(4), FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(8)(E)(ii), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to provide a timely notification of the start of construction, completion of construction, and commencement of operations to the TCEQ Amarillo Regional Office. Specifically, the AJAX Compressor Engine, Emissions Point Number ("EPN") E-2, was installed and commenced operation on June 12, 2012 and the notification was due on June 26, 2012 but was not submitted until April 8, 2014.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR	Harm			
Release	Major	Moderate	Minor	
Actual				
Potential				

Percent 0.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

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

Adjustment $21,250

$3,750

Violation Events

Number of Violation Events: 1 | 645 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 notification.

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 came into compliance on April 8, 2014, after the Notice of Enforcement ("NOE") dated March 19, 2014.

Violation Subtotal $3,375

Economic Benefit (EB) for this violation

Estimated EB Amount $22

Statutory Limit Test

Violation Final Penalty Total $4,179

This violation Final Assessed Penalty (adjusted for limits) $4,179

Economic Benefit Worksheet

Respondent Apache Corporation
Case ID No. 48516
Reg. Ent. Reference No. RN105148613
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	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	26-Jun-2012	8-Apr-2014	1.78	$22	n/a	$22
Notes for DELAYED costs	Estimated cost to submit a notification of the start of construction, completion of construction, and commencement of operations. The Date Required is the date that the notification was due and the Final Date is the compliance date.						
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 $22

Screening Date 2-Apr-2014 **Docket No.** 2014-0495-AIR-E **PCW**

Respondent Apache Corporation *Policy Revision 3 (September 2011)*

Case ID No. 48516 *PCW Revision August 3, 2011*

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.615(10) and 122.143(4), Standard Permit Registration No. 81348, FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(8)(B), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to limit blowdown events to approximately 24 per year with each event lasting no longer than one hour and venting no more than 15,000 standard cubic feet ("scf"). Specifically, on November 16, 2013, one blowdown event occurred that exceeded the limit of approximately 24 blowdown events per year.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

	Harm		
Release	Major	Moderate	Minor
Actual			x
Potential			

OR

Percent 15.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

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

Adjustment $21,250

$3,750

Violation Events

Number of Violation Events: 1 — 1 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $3,750

One quarterly event is recommended for the one unauthorized blowdown event.

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 $3,750

Economic Benefit (EB) for this violation

Estimated EB Amount $282

Statutory Limit Test

Violation Final Penalty Total $4,562

This violation Final Assessed Penalty (adjusted for limits) $4,562

Economic Benefit Worksheet

Respondent Apache Corporation
Case ID No. 48516
Reg. Ent. Reference No. RN105148613
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	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)	$5,000	16-Nov-2013	2-Jan-2015	1.13	$282	n/a	$282
Notes for DELAYED costs	Estimated cost to implement measures and/or procedures to limit blowdown events to approximately 24 per year with each event lasting no longer than one hour and venting no more than 15,000 scf. The Date Required is the date of the unauthorized blowdown emissions event 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 $5,000

TOTAL $282

Screening Date 2-Apr-2014 **Docket No.** 2014-0495-AIR-E **PCW**

Respondent Apache Corporation *Policy Revision 3 (September 2011)*

Case ID No. 48516 *PCW Revision August 3, 2011*

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), FOP No. O2964/GOP No. 514, Site-Wide Requirements (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 PCCs for the certification periods from October 3, 2011 through October 2, 2012 and from October 3, 2012 through October 2, 2013 were due November 1, 2012 and November 1, 2013, respectively, but were not submitted until January 13, 2014.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR	Harm: Release	Major	Moderate	Minor
	Actual			
	Potential			

Percent 0.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

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

Adjustment $21,250

$3,750

Violation Events

Number of Violation Events: 2 — 438 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $7,500

Two single events are recommended for the two PCCs that were not submitted in a timely manner.

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 came into compliance on January 13, 2014, prior to the NOE dated March 19, 2014.

Violation Subtotal $5,625

Economic Benefit (EB) for this violation

Estimated EB Amount $30

Statutory Limit Test

Violation Final Penalty Total $7,207

This violation Final Assessed Penalty (adjusted for limits) $7,207

Economic Benefit Worksheet

Respondent Apache Corporation
Case ID No. 48516
Reg. Ent. Reference No. RN105148613
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	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	1-Nov-2012	13-Jan-2014	1.20	$30	n/a	$30
Notes for DELAYED costs	Estimated cost to prepare and submit two PCCs. The Date Required is the date that the first PCC was due and the final date is the date that both PCCs were submitted.						
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 $30

Screening Date 2-Apr-2014 **Docket No.** 2014-0495-AIR-E **PCW**

Respondent Apache Corporation *Policy Revision 3 (September 2011)*

Case ID No. 48516 *PCW Revision August 3, 2011*

Reg. Ent. Reference No. RN105148613

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145, FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(2), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit a semi-annual deviation report. Specifically, for the October 3, 2012 through April 2, 2013 reporting period, the Respondent failed to submit a semi-annual deviation report to report the failure to submit a timely PCC.

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: 100% of the rule requirement was not met.

Adjustment $21,250

$3,750

Violation Events

Number of Violation Events: 1 — 335 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 semi-annual deviation report that was not submitted.

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 $3,750

Economic Benefit (EB) for this violation

Estimated EB Amount $304

Statutory Limit Test

Violation Final Penalty Total $4,562

This violation Final Assessed Penalty (adjusted for limits) $4,562

Economic Benefit Worksheet

Respondent Apache Corporation
Case ID No. 48516
Reg. Ent. Reference No. RN105148613
Media Air
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	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	2-May-2013	2-Jan-2015	1.67	$21	n/a	$21
Notes for DELAYED costs	Estimated cost to implement measures and/or procedures to ensure that complete and accurate deviation reports are submitted in a timely manner. The Date Required is the date the 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]	$261	2-May-2013	28-Jan-2014	1.66	$22	$261	$283
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs	Estimated avoided cost to submit a deviation report. The Date Required is the date the deviation report was due and the Final Date is the investigation date.						

Approx. Cost of Compliance $511

TOTAL $304

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

Compliance History Report

PUBLISHED Compliance History Report for CN600126361, RN105148613, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN600126361, Apache Corporation **Classification:** SATISFACTORY **Rating:** 7.74

Regulated Entity: RN105148613, Stiles 4-1 Production Facility **Classification:** SATISFACTORY **Rating:** 26.80

Complexity Points: 4 **Repeat Violator:** NO

CH Group: 03 - Oil and Gas Extraction

Location: TWO MILES SOUTH OF THE INTERSECTION OF STATE HIGHWAY 152 AND FARM-TO-MARKET ROAD 592, WHEELER COUNTY, TEXAS

TCEQ Region: REGION 01 - AMARILLO

ID Number(s):

AIR NEW SOURCE PERMITS REGISTRATION 81348
AIR NEW SOURCE PERMITS AFS NUM 4848300258
AIR NEW SOURCE PERMITS ACCOUNT NUMBER WGA006F
AIR OPERATING PERMITS PERMIT 2964
AIR OPERATING PERMITS ACCOUNT NUMBER WGA006F
AIR EMISSIONS INVENTORY ACCOUNT NUMBER WGA006F

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: June 21, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: June 21, 2009 to June 21, 2014

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

Name: David Carney **Phone:** (512) 239-2583

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: 05/22/2011 ADMINORDER 2010-1354-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)
30 TAC Chapter 101, SubChapter F 101.211(b)
30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
30 TAC Chapter 116, SubChapter F 116.615(8)
30 TAC Chapter 116, SubChapter F 116.620(a)(11)
30 TAC Chapter 116, SubChapter F 116.620(c)(3)
30 TAC Chapter 116, SubChapter F 116.620(e)(4)
30 TAC Chapter 116, SubChapter F 116.620(e)(6)
30 TAC Chapter 116, SubChapter F 116.620(e)(8)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O-02964, Sitewide Cond. (b)(27)(F) OP
FOP O-02964, Sitewide Cond. (b)(27)(G) OP
FOP O-02964, Sitewide Cond. (b)(8)(B) OP
FOP O-02964, Sitewide Cond. (b)(8)(D) OP

Description: Failed to maintain compliance records for the Stiles Plant. Specifically, the Respondent failed to maintain and provide maintenance and operation logs in order to determine if there were any emissions events and/or maintenance, start-up and shutdown activities; daily flare operation logs for the gas flare; records of daily hydrogen sulfide and sulfur dioxide visual inspections; monthly tank production data, including tank battery identification or storage tank identification, the compound being

Classification: Moderate

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

Description: Failed to provide notification of the initial construction and start-up activities for the Stiles Plant to the Amarillo Regional Office prior to the commencement of such activities.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(B)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O-02964, Sitewide Cond. (b)(2) OP

Description: Failed to include all instances of deviations at the Stiles Plant in the deviation reports for each six month period after FOP No. O-02964 was issued on October 3, 2007.

Classification: Moderate

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

Rqmt Prov: FOP O-02964, Sitewide Cond. (b)(28) OP
FOP O-02964, Sitewide Cond. b(29) OP

Description: Failed to implement a Compliance Assurance Monitoring ("CAM") and a Periodic Monitoring ("PM") program at the Stiles Plant. Specifically, the Respondent did not implement a CAM and PM program as required by the FOP.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	July 06, 2009	(759442)
Item 2	November 09, 2011	(964874)
Item 3	November 30, 2012	(1046495)

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.

N/A

F. Environmental audits:

Notice of Intent Date: 07/07/2011 (943209)
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 APACHE CORPORATION RN105148613	**§ § § § §**	**BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2014-0495-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 Apache Corporation ("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 production plant located two miles south of the intersection of State Highway 152 and Farm-to-Market Road 592 in Wheeler 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 March 24, 2014.

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 Twenty-Five Thousand Seventy-One Dollars ($25,071) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty Thousand Fifty-Seven Dollars ($20,057) of the administrative penalty and Five Thousand Fourteen Dollars

($5,014) 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 January 13, 2014, submitted the permit compliance certifications ("PCCs") for the certification periods from October 3, 2011 through October 2, 2012 and from October 3, 2012 through October 2, 2013; and

   b. On April 8, 2014, submitted notification of the start of construction, completion of construction, and commencement of operations for the AJAX Compressor Engine, Emissions Point Number ("EPN") E-2, to the TCEQ Amarillo Regional Office.

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 maintain a complete final record for a non-reportable emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(b) and 122.143(4), Federal Operating Permit ("FOP") No. O2964/General Operating Permit ("GOP") No. 514, Site-Wide Requirements (b)(28)(F), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on January 28, 2014. Specifically, a final record for a non-reportable emissions event that occurred on November 16, 2013 was not maintained.

2. Failed to provide a timely notification of the start of construction, completion of construction, and commencement of operations to the TCEQ Amarillo Regional Office, in violation of 30 TEX. ADMIN. CODE §§ 116.615(4) and (5) and 122.143(4), FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(8)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on January 28, 2014. Specifically, the AJAX Compressor Engine, EPN E-2, was installed and commenced operation on June 12, 2012 and the notification was due on June 26, 2012 but was not submitted until April 8, 2014.

3. Failed to limit blowdown events to approximately 24 per year with each event lasting no longer than one hour and venting no more than 15,000 standard cubic feet ("scf"), in violation of 30 TEX. ADMIN. CODE §§ 116.615(10) and 122.143(4), Standard Permit Registration No. 81348, FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(8)(B), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on January 28, 2014. Specifically, on November 16, 2013, one blowdown event occurred that exceeded the limit of approximately 24 blowdown events per year.

4. 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), FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on January 28, 2014. Specifically, the PCCs for the certification periods from October 3, 2011 through October 2, 2012 and from October 3, 2012 through October 2, 2013 were due November 1, 2012 and November 1, 2013, respectively, but were not submitted until January 13, 2014.

5. Failed to submit a semi-annual deviation report, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O2964/GOP No. 514, Site-Wide Requirements (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on January 28, 2014. Specifically, for the October 3, 2012 through April 2, 2013 reporting period, the Respondent failed to submit a semi-annual deviation report to report the failure to submit a timely PCC.

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: Apache Corporation, Docket No. 2014-0495-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. 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/or procedures to ensure that complete and accurate deviation reports are submitted in a timely manner;

ii. Implement measures and/or procedures to ensure that complete final records are maintained for non-reportable emissions events in accordance with 30 TEX. ADMIN. CODE § 101.201; and

iii. Implement measures and/or procedures to limit blowdown events to approximately 24 per year with each event lasting no longer than one hour and venting no more than 15,000 scf.

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.iii. 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
Amarillo Regional Office
Texas Commission on Environmental Quality
3918 Canyon Drive
Amarillo, Texas 79109-4933

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

Pam M. Jarvis
For the Executive Director

2/17/15
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.

Mike Young
Signature

8/28/2014
Date

Mike Young
Name (Printed or typed)
Authorized Representative of
Apache Corporation

Manager Production Services
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.