

Executive Summary – Enforcement Matter – Case No. 49338
ABRAXAS CORPORATION
RN102678885
Docket No. 2014-1360-PWS-E

Order Type:

Findings Agreed Order

Findings Order Justification:

Three or more enforcement actions (NOVs, orders, etc.) over the prior five year period for the same violation(s).

Media:

PWS

Small Business:

Yes

Location(s) Where Violation(s) Occurred:

Abraxas Utilities, located on Hillcroft Road approximately 250 feet north of the west end of Arrowhead Street near Fort Worth, Parker County

Type of Operation:

Public water supply

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: January 16, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$588

Amount Deferred for Naturally Occurring Radionuclides: \$588

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$0

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 - N/A

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

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ABRAXAS CORPORATION
RN102678885
Docket No. 2014-1360-PWS-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: August 12, 2014 through August 29, 2014

Date(s) of NOE(s): August 29, 2014

Violation Information

1. Failed to comply with the maximum contaminant level ("MCL") of 15 picoCuries per liter ("pCi/L") for gross alpha particle activity based on the running annual average, and failed to provide public notification and submit a copy of the public notification to the Executive Director regarding the failure to comply with the MCL for gross alpha particle activity [30 TEX. ADMIN. CODE §§ 290.108(f)(1) and 290.122(b)(2)(A) and (f) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].
2. Failed to comply with the MCL of 5 pCi/L for combined radium-226 and radium-228, based on the running annual average [30 TEX. ADMIN. CODE § 290.108(f)(1) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, implement procedures to ensure that all necessary public notifications are provided in a timely manner to persons served by the Facility and a copy of the public notification is submitted to the Executive Director, including but not limited to public notification regarding the failure to comply with the MCL for gross alpha particle activity at EPO01 for the third quarter of 2013.
- b. Within 45 days, submit written certification demonstrating compliance with Ordering Provision a.
- c. Within 120 days, complete a feasibility study, or update an existing feasibility study, and submit a written report or engineering study conducted by a Texas registered professional engineer regarding the results of the feasibility study to evaluate the necessary corrective actions designed to achieve compliance with the MCLs for gross alpha particle activity and combined radium-226 and radium-228. The report shall include a tentative schedule describing additional studies, tests, or other methods that may be utilized for the completion of necessary corrective actions within 1,095 days. If the Respondent purchases or sells water, a copy of the purchase water contract must be submitted with the feasibility study report or engineering study.

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ABRAXAS CORPORATION
RN102678885
Docket No. 2014-1360-PWS-E

- d. Within 135 days, submit written certification demonstrating compliance with Ordering Provision c.
- e. Within 180 days, submit an acceptable written plan, including a proposed schedule, to the Executive Director that provides for the completion of an alternate water source or treatment technology.
- f. Within 180 days, and on a semi-annual basis thereafter, submit progress reports. These reports shall include information regarding actions taken to provide water which meets the MCLs for gross alpha particle activity and combined radium-226 and radium-228.
- g. Within 195 days, submit written certification demonstrating compliance with Ordering Provision e.
- h. Within 1,095 days:
 - i. Return to compliance with the MCL for gross alpha particle activity; and
 - ii. Return to compliance with the MCL for combined radium-226 and radium-228.
- i. Within 1,110 days, submit written certification demonstrating compliance with Ordering Provisions h.i. and h.ii.

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: Jim Fisher, Enforcement Division, Enforcement Team 2, MC 169, (512) 239-2537; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456
TCEQ SEP Coordinator: N/A
Respondent: Evelyn Farhood, President, ABRAXAS CORPORATION, 7921 Main Street, Fort Worth, Texas 76182
Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned PCW	2-Sep-2014	Screening	12-Sep-2014	EPA Due	30-Jun-2013
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RESPONDENT/FACILITY INFORMATION	
Respondent	ABRAXAS CORPORATION
Reg. Ent. Ref. No.	RN102678885
Facility/Site Region	4-Dallas/Fort Worth
Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	49338	No. of Violations	2
Docket No.	2014-1360-PWS-E	Order Type	Findings
Media Program(s)	Public Water Supply	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Jim Fisher
		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$50	Maximum	\$1,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History Enhancement **Subtotals 2, 3, & 7**

Notes

Culpability Enhancement **Subtotal 4**

Notes

Good Faith Effort to Comply Total Adjustments **Subtotal 5**

Economic Benefit Enhancement* **Subtotal 6**

Total EB Amounts	\$14,729
Estimated Cost of Compliance	\$40,125

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal**

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

DEFERRAL Reduction **Adjustment**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

PAYABLE PENALTY

Screening Date 12-Sep-2014

Docket No. 2014-1360-PWS-E

PCW

Respondent ABRAXAS CORPORATION

Policy Revision 4 (April 2014)

Case ID No. 49338

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102678885

Media [Statute] Public Water Supply

Enf. Coordinator Jim Fisher

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>)	5	25%
	Other written NOVs	0	0%
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 judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%

Please Enter Yes or No

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

Adjustment Percentage (Subtotal 2) 25%

>> Repeat Violator (Subtotal 3)

N/A

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 five NOVs with the same/similar violations.

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

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 25%

Screening Date 12-Sep-2014
Respondent ABRAXAS CORPORATION
Case ID No. 49338
Reg. Ent. Reference No. RN102678885
Media [Statute] Public Water Supply
Enf. Coordinator Jim Fisher
Violation Number 1

Docket No. 2014-1360-PWS-E

PCW

Policy Revision 4 (April 2014)
 PCW Revision March 26, 2014

Rule Cite(s) 30 Tex. Admin. Code §§ 290.108(f)(1) and 290.122(b)(2)(A) and (f) and Tex. Health & Safety Code § 341.0315(c)

Violation Description Failed to comply with the maximum contaminant level ("MCL") of 15 pCi/L for gross alpha particle activity, based on the running annual average, and failed to provide public notification and submit a copy of the public notification to the Executive Director regarding the failure to comply with the MCL for gross alpha particle activity. Specifically, the running annual average concentrations for gross alpha particle activity were 16 pCi/L for the fourth quarter of 2012 at EP001, 18 pCi/L for the first quarter of 2013 at EP001, 19 pCi/L for the second quarter of 2013 at EP001, 22 pCi/L for the third quarter of 2013 at EP001, and 16 pCi/L for the third quarter of 2013 at EP002, and public notification regarding the failure to comply with the MCL for gross alpha particle activity at EP001 for the third quarter of 2013 was due June 9, 2014 and was not provided.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		X		15.0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes Exceeding the running annual average MCL for gross alpha particle activity exposed customers of the Facility to significant amounts of contaminants which do not exceed levels protective of human health.

Adjustment \$850

\$150

Violation Events

Number of Violation Events Number of violation days

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

Violation Base Penalty \$300

Two annual events are recommended (one for each entry point).

Good Faith Efforts to Comply

25 Reduction

\$0

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

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$300

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$14,729

Violation Final Penalty Total \$392

This violation Final Assessed Penalty (adjusted for limits) \$392

Economic Benefit Worksheet

Respondent ABRAXAS CORPORATION
Case ID No. 49338
Reg. Ent. Reference No. RN102678885
Media Public Water Supply
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$40,000	31-Dec-2012	31-Mar-2018	5.25	\$700	\$13,998	\$14,698
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	\$100	11-Aug-2014	31-May-2015	0.80	\$4	n/a	\$4
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The delayed cost includes the estimated amount to investigate, identify, and implement corrective actions to return to compliance with the MCLs for gross alpha particle activity and combined radium-226 and radium-228, calculated from the last date of the first quarter of noncompliance to the estimated date of compliance. The other delayed cost includes the estimated amount to implement improvements to the Facility's process procedures, guidance, training and/or oversight to ensure that public notification is posted and reported to the Executive Director, calculated from the date of the record review to 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)	\$25	11-Mar-2014	9-Jun-2014	1.16	\$1	\$25	\$26

Notes for AVOIDED costs

The avoided cost includes the estimated amount to provide public notification regarding the failure to comply with the MCL for gross alpha particle activity (\$25 per notice), calculated from the date the public notification was requested to the date it was required.

Approx. Cost of Compliance

\$40,125

TOTAL

\$14,729

Screening Date 12-Sep-2014
Respondent ABRAXAS CORPORATION
Case ID No. 49338
Reg. Ent. Reference No. RN102678885
Media [Statute] Public Water Supply
Enf. Coordinator Jim Fisher

Docket No. 2014-1360-PWS-E

PCW

Policy Revision 4 (April 2014)
 PCW Revision March 26, 2014

Violation Number

Rule Cite(s) 30 Tex. Admin. Code § 290.108(f)(1) and Tex. Health & Safety Code § 341.0315(c)

Violation Description

Failed to comply with the MCL of 5 pCi/L for combined radium-226 and radium-228, based on the running annual average. Specifically, the running annual average concentrations for combined radium-226 and radium-228 were 6 pCi/L for the first quarter of 2013 at EP001, 6 pCi/L for the second quarter of 2013 at EP001, and 6 pCi/L for the third quarter of 2013 at EP001.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		X	
Potential			

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes

Exceeding the MCL for combined radium-226 and radium-228 based on a running annual average exposed persons served by the Facility to significant amounts of contaminants which do not exceed levels protective of human health.

Adjustment

Violation Events

Number of Violation Events

Number of violation days

<i>mark only one with an x</i>	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	X
Single event		

Violation Base Penalty

One annual event is recommended.

Good Faith Efforts to Comply

25 Reduction

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Enhancement	Extraordinary		
	Ordinary		
	N/A	X	(mark with x)

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent ABRAXAS CORPORATION
Case ID No. 49338
Req. Ent. Reference No. RN102678885
Media Public Water Supply
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

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

Notes for DELAYED costs

The delayed cost is included in the economic benefit associated with Violation No. 1.

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 \$0

TOTAL \$0

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.



TCEQ Compliance History Report

PENDING Compliance History Report for CN600702567, RN102678885, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent: CN600702567, ABRAXAS CORPORATION **Classification:** SATISFACTORY **Rating:** 0.40
Regulated Entity: RN102678885, ABRAXAS UTILITIES **Classification:** NOT APPLICABLE **Rating:** N/A
Complexity Points: N/A **Repeat Violator:** N/A
CH Group: 14 - OTHER
Location: HILLCROFT ROAD APPROXIMATELY 250 FEET NORTH OF THE WEST END OF ARROWHEAD STREET NEAR FORT WORTH, PARKER COUNTY, TEXAS
TCEQ Region: REGION 04 - DFW METROPLEX
ID Number(s): PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1840034
Compliance History Period: September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014
Date Compliance History Report Prepared: September 11, 2014
Agency Decision Requiring Compliance History: Enforcement
Component Period Selected: September 02, 2009 to September 02, 2014
TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.
Name: Jim Fisher **Phone:** (512) 239-2537

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.): N/A
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: 09/25/2013 (1192441) | CN600702567 |
| | Self Report? NO | Classification: Moderate |
| | Citation: 30 TAC Chapter 290, SubChapter F 290.108(f)(1) | |
| | Description: COMB RAD MCL 2Q2013 - The system violated the maximum contaminant level for combined radium 226 and 228 during the 2nd quarter of 2013 with a RAA of 6 pCi/L for EP001. | |
|
 | | |
| 2 | Date: 01/02/2014 (1192441) | CN600702567 |
| | Self Report? NO | Classification: Moderate |
| | Citation: 30 TAC Chapter 290, SubChapter F 290.108(f)(1) | |
| | Description: COMB RAD MCL 3Q2013 - The system violated the maximum contaminant level for combined radium 226 and 228 during the 3rd quarter of 2013 with a RAA of 6 pCi/L for EP001. | |

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.108(f)(1)
Description: GA MCL 2Q2013 - The system violated the maximum contaminant level for gross alpha during the 2nd quarter of 2013 with a RAA of 19 pCi/L at EP001.

3 Date: 02/27/2014 (1192441) CN600702567

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.108(f)(1)
Description: GA MCL 3Q2013 - The system violated the maximum contaminant level for gross alpha during the 3rd quarter of 2013 with a RAA of 22 pCi/L at EP001.

4 Date: 03/11/2014 (1192441) CN600702567

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.108(f)(1)
Description: GA MCL 3Q2013 - The system violated the maximum contaminant level for gross alpha during the 3rd quarter of 2013 with a RAA of 16 pCi/L at EP002.

5 Date: 06/20/2014 (1192441) CN600702567

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.122(b)(2)(A)
30 TAC Chapter 290, SubChapter F 290.122(f)
Description: GA MCL PN 3Q2013 Posting and Reporting Violation - Failure to submit a signed certificate of delivery to the Executive Director certifying that public notice was issued pursuant to 30 Tex. Admin. Code §290.122 during the time period that public notice was required for a violation of the maximum contaminant level for gross alpha during the 3rd quarter of 2013.

- F. Environmental audits:** N/A
- G. Type of environmental management systems (EMSs):** N/A
- H. Voluntary on-site compliance assessment dates:** N/A
- I. Participation in a voluntary pollution reduction program:** N/A
- J. Early compliance:** N/A
- Sites Outside of Texas:** N/A

Item 7 August 28, 2014** For Informational Purposes Only
(1192564)

Item 8 August 29, 2014** For Informational Purposes Only

* No violations documented during this investigation

**Investigation applicable for the Compliance History Rating period between 09/01/2009 and 08/31/2014.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN	§	BEFORE THE
ENFORCEMENT ACTION	§	
CONCERNING	§	TEXAS COMMISSION ON
ABRAXAS CORPORATION	§	
RN102678885	§	ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2014-1360-PWS-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding ABRAXAS CORPORATION (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. 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. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a public water supply located on Hillcroft Road approximately 250 feet north of the west end of Arrowhead Street near Fort

Worth, Parker County, Texas (the "Facility") that has approximately 179 service connections and serves at least 25 people per day for at least 60 days per year.

2. During a record review conducted from August 12, 2014 through August 29, 2014, TCEQ staff documented that the running annual average concentrations for gross alpha particle activity were 16 picoCuries per liter ("pCi/L") for the fourth quarter of 2012 at EP001, 18 pCi/L for the first quarter of 2013 at EP001, 19 pCi/L for the second quarter of 2013 at EP001, 22 pCi/L for the third quarter of 2013 at EP001, and 16 pCi/L for the third quarter of 2013 at EP002, and public notification regarding the failure to comply with the maximum contaminant level ("MCL") for gross alpha particle activity at EP001 for the third quarter of 2013 was due June 9, 2014 and was not provided.
3. During a record review conducted from August 12, 2014 through August 29, 2014, TCEQ staff documented that the running annual average concentrations for combined radium-226 and radium-228 were 6 pCi/L for the first quarter of 2013 at EP001, 6 pCi/L for the second quarter of 2013 at EP001, and 6 pCi/L for the third quarter of 2013 at EP001.
4. The Respondent received notice of the violations on September 2, 2014.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 341 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 2, the Respondent failed to comply with the MCL of 15 pCi/L for gross alpha particle activity based on the running annual average, and failed to provide public notification and submit a copy of the public notification to the Executive Director regarding the failure to comply with the maximum contaminant level ("MCL") for gross alpha particle activity, in violation of 30 TEX. ADMIN. CODE §§ 290.108(f)(1) and 290.122(b)(2)(A) and (f) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
3. As evidenced by Findings of Fact No. 3, the Respondent failed to comply with the MCL of 5 pCi/L for combined radium-226 and radium-228, based on the running annual average, in violation of 30 TEX. ADMIN. CODE § 290.108(f)(1) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
4. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.

5. An administrative penalty in the amount of Five Hundred Eighty-Eight Dollars (\$588) is justified by the facts recited in this Agreed Order, and Five Hundred Eighty-Eight Dollars (\$588) of the administrative penalty is deferred, contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order and shall be waived only upon full compliance with all the terms and conditions contained in this Agreed Order. If the Respondent fails to timely and satisfactorily comply with any requirement contained in this Agreed Order, the deferred amount of the administrative penalty shall become immediately due and payable without demand or notice, and the Executive Director may require the Respondent to pay all or part of the deferred administrative penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Five Hundred Eighty-Eight Dollars (\$588) as set forth in Section II, Paragraph 5 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: ABRAXAS CORPORATION, Docket No. 2014-1360-PWS-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 undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement procedures to ensure that all necessary public notifications are provided in a timely manner to persons served by the Facility and a copy of the public notification is submitted to the Executive Director, including but not limited to public notification regarding the failure to comply with the MCL for gross alpha particle activity at EP001 for the third quarter of 2013, in accordance with 30 TEX. ADMIN. CODE § 290.122;

- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below in Ordering Provision No. 2.i. below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a.;
- c. Within 120 days after the effective date of this Agreed Order, complete a feasibility study, or update an existing feasibility study, and submit a written report or engineering study conducted by a Texas registered professional engineer regarding the results of the feasibility study to evaluate the necessary corrective actions designed to achieve compliance with the MCLs for gross alpha particle activity and combined radium-226 and radium-228. The report shall include a tentative schedule describing additional studies, tests, or other methods that may be utilized for the completion of necessary corrective actions within 1,095 days after the effective date of this Agreed Order. If the Respondent purchases or sells water, a copy of the purchase water contract must be submitted with the feasibility study report or engineering study. The evaluation shall be sent to the addresses listed in Ordering Provision No. 2.i.;
- d. Within 135 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.i. below to demonstrate compliance with Ordering Provision No. 2.c.;
- e. Within 180 days after the effective date of this Agreed Order, submit an acceptable written plan, including a proposed schedule, to the Executive Director that provides for the completion of an alternate water source or treatment technology to the addresses listed in Ordering Provision No. 2.i.;
- f. Within 180 days after the effective date of this Agreed Order, and on a semi-annual basis thereafter, submit progress reports to the addresses listed in Ordering Provision No. 2.i. below. These reports shall include information regarding actions taken to provide water which meets the MCLs for gross alpha particle activity and combined radium-226 and radium-228;
- g. Within 195 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.i. below to demonstrate compliance with Ordering Provision No. 2.e.;
- h. Within 1,095 days after the effective date of this Agreed Order:
 - i. Return to compliance with the MCL for gross alpha particle activity, in accordance with 30 TEX. ADMIN. CODE § 290.108; and

- ii. Return to compliance with the MCL for combined radium-226 and radium-228, in accordance with 30 TEX. ADMIN. CODE § 290.108.
- i. Within 1,110 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.h.i. and 2.h.ii. 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:

Public Drinking Water Section Manager
Water Supply Division, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

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 Facility operations referenced in this Agreed Order.
4. 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.

5. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
6. 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.
7. 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.
8. 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.
9. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Ron Mauer
For the Executive Director

3/25/15
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of ABRAXAS CORPORATION. I am authorized to agree to the attached Agreed Order on behalf of ABRAXAS CORPORATION, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, ABRAXAS CORPORATION waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

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.

Evelyn Farhood
Signature

12-9-14
Date

Evelyn Farhood
Name (Printed or typed)
Authorized Representative of
ABRAXAS CORPORATION

President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Agreed Order.