

Executive Summary – Enforcement Matter – Case No. 50842
FL Rich Gas Services, LP
RN106476377
Docket No. 2015-1075-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

Yes

Location(s) Where Violation(s) Occurred:

Lone Star Processing Facility, on Farm-to-Market ("FM") Road 1465, approximately 3.2 miles west of the intersection of FM Road 1465 and United States Route 181, near Tuleta, Bee 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: The complainants have expressed an interest in this matter but do not wish to speak at Agenda.

Texas Register Publication Date: October 30, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$28,501

Amount Deferred for Expedited Settlement: \$5,700

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$22,801

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("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: April 2014

Executive Summary – Enforcement Matter – Case No. 50842
FL Rich Gas Services, LP
RN106476377
Docket No. 2015-1075-AIR-E

Investigation Information

Complaint Date(s): January 20, 2015 and January 21, 2015

Complaint Information: Alleged gas fumes causing health effects from nearby refineries.

Date(s) of Investigation: January 21, 2015 through March 30, 2015

Date(s) of NOE(s): June 22, 2015

Violation Information

1. Failed to comply with representations in a standard permit registration. Specifically, the representations initially submitted on February 27, 2014 and revised on October 9, 2014 for Standard Permit Registration No. 104685 state that approximately 20%, and 25% in the revised representations, of acid gas from the amine vents will be vented to the atmosphere and the remaining gas will be routed to the electric motor driven carbon dioxide (“CO₂”) compressors and then injected into the residue pipeline. However, 100% of acid gas from the amine vents has been vented to the atmosphere since the Plant was commissioned on December 3, 2013 because the CO₂ compressors have been unable to stay continuously running due to a low volume of inlet gas [30 TEX. ADMIN. CODE § 116.615(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and Standard Permit Registration No. 104685].
2. Failed to prevent a nuisance odor condition. Specifically, on January 21, 2015, TCEQ staff conducted an odor survey downwind of the Plant; detected a strong, highly offensive odor coming from the Plant; and determined that this odor caused a nuisance condition and impacted off-property receptors [30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b)].
3. Failed to comply with the maximum allowable hourly volatile organic compounds (“VOC”) emission rates for Emission Point Numbers (“EPNs”) AMINE-1 and AMINE-2. Specifically, the Respondent exceeded the 1.36 pounds per hour (“lbs/hr”) maximum allowable VOC emission rate for EPN AMINE-1 on January 20, 2015 and January 21, 2015 with an average hourly VOC emission rate of 1.76 lbs/hr and 1.81 lbs/hr, respectively, resulting in 20.4 lbs of unauthorized VOC. The Respondent also exceeded the 1.36 lbs/hr maximum allowable VOC emission rate for EPN AMINE-2 on January 20, 2015 and January 21, 2015 with an average hourly VOC emission rate of 2.15 lbs/hr and 2.17 lbs/hr, respectively, resulting in 38.4 lbs of unauthorized VOC [30 TEX. ADMIN. CODE § 116.615(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and Standard Permit Registration No. 104685, Requirement (a)(3)].

**Executive Summary – Enforcement Matter – Case No. 50842
FL Rich Gas Services, LP
RN106476377
Docket No. 2015-1075-AIR-E**

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

By February 4, 2015, the Respondent installed a supplemental gas line to the electric motor driven CO2 compressors so that supplemental gas can be added to the suction of stage one of the CO2 compressors to keep them loaded enough to run. This allows at least 75% of the acid gas from the amine vents to be routed through the CO2 compressors, which is what is represented in the Respondent's Standard Permit Registration No. 104685. Additionally, this prevents the recurrence of a nuisance odor condition similar to the nuisance odor condition documented on January 21, 2015 and reduces VOC emissions from EPNs AMINE-1 and AMINE-2 below the maximum allowable hourly VOC emission rates.

Technical Requirements:

N/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

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Carol McGrath, Enforcement Division, Enforcement Team 4, R-13, (210) 403-4063; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: N/A

Respondent: Brian Caldronia, Environmental Manager, FL Rich Gas Services, LP, 1717 Main Street, Suite 5200, Dallas, Texas 75201

David L. Ishmael, Vice President Operations, , FL Rich Gas Services, LP, 1717 Main Street, Suite 5200, Dallas, Texas 75201

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	29-Jun-2015	Screening	17-Jul-2015	EPA Due	
	PCW	17-Jul-2015				

RESPONDENT/FACILITY INFORMATION			
Respondent	FL Rich Gas Services, LP		
Reg. Ent. Ref. No.	RN106476377		
Facility/Site Region	14-Corpus Christi	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	50842	No. of Violations	3
Docket No.	2015-1075-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rachel Bekowies
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$30,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	20.0% Enhancement	Subtotals 2, 3, & 7	\$6,000
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Notes: Enhancement for four NOV's with same/similar violations.

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

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$7,499
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$1,173
 Estimated Cost of Compliance: \$20,000
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$28,501
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount \$28,501

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$28,501
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DEFERRAL	20.0% Reduction	Adjustment	-\$5,700
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$22,801
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Screening Date 17-Jul-2015

Docket No. 2015-1075-AIR-E

PCW

Respondent FL Rich Gas Services, LP

Policy Revision 4 (April 2014)

Case ID No. 50842

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106476377

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>)	4	20%
	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%
<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) 20%

>> 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 four NOVs with same/similar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 20%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 20%

Screening Date 17-Jul-2015

Docket No. 2015-1075-AIR-E

PCW

Respondent FL Rich Gas Services, LP

Policy Revision 4 (April 2014)

Case ID No. 50842

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106476377

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.615(2), Tex. Health & Safety Code § 382.085(b), and Standard Permit Registration No. 104685

Violation Description Failed to comply with representations in a standard permit registration. Specifically, the representations initially submitted on February 27, 2014 and revised on October 9, 2014 for Standard Permit Registration No. 104685 state that approximately 20%, and 25% in the revised representations, of acid gas from the amine vents will be vented to the atmosphere and the remaining gas will be routed to the electric motor driven carbon dioxide ("CO2") compressors and then injected into the residue pipeline. However, 100% of acid gas from the amine vents has been vented to the atmosphere since the Plant was commissioned on December 3, 2013 because the CO2 compressors have been unable to stay continuously running due to a low volume of inlet gas.

Base Penalty \$25,000

>> 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 Human health or the environment has been exposed to insignificant amounts of pollutants that 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 5 Number of violation days 428

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

Violation Base Penalty \$18,750

Five quarterly events are recommended from the December 3, 2013 initial date of non-compliance to the February 4, 2015 compliance date.

Good Faith Efforts to Comply

25.0%

Reduction \$4,687

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

Notes The Respondent completed corrective action by February 4, 2015, prior to the June 22, 2015 Notice of Enforcement ("NOE").

Violation Subtotal \$14,063

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,173

Violation Final Penalty Total \$17,813

This violation Final Assessed Penalty (adjusted for limits) \$17,813

Economic Benefit Worksheet

Respondent FL Rich Gas Services, LP
Case ID No. 50842
Reg. Ent. Reference No. RN106476377
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$20,000	3-Dec-2013	4-Feb-2015	1.17	\$1,173	n/a	\$1,173

Notes for DELAYED costs

Estimated cost to install a supplemental gas line to the electric motor driven CO2 compressors so that supplemental gas can be added to the suction of stage one of the CO2 compressors to keep them loaded enough to run. This allows at least 75% of the acid gas stream from the amine vents to be routed through the CO2 compressors, which is what is represented in the Respondent's Standard Permit Registration No. 104685. Additionally, this prevents the recurrence of a nuisance odor condition similar to the nuisance odor condition documented on January 21, 2015 and reduces volatile organic compounds ("VOC") emissions from Emission Point Numbers ("EPNs") AMINE-1 and AMINE-2 below the maximum allowable hourly VOC emission rates. The Date Required is the initial date of non-compliance. The Final Date is the date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance	\$20,000	TOTAL	\$1,173
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Screening Date 17-Jul-2015

Docket No. 2015-1075-AIR-E

PCW

Respondent FL Rich Gas Services, LP

Policy Revision 4 (April 2014)

Case ID No. 50842

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106476377

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 101.4 and Tex. Health & Safety Code § 382.085(a) and (b)

Violation Description

Failed to prevent a nuisance odor condition. Specifically, on January 21, 2015, TCEQ staff conducted an odor survey downwind of the Plant; detected a strong, highly offensive odor coming from the Plant; and determined that this odor caused a nuisance condition and impacted off-property receptors.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

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 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	
semiannual	
annual	
single event	X

Violation Base Penalty \$3,750

One single event is recommended for the January 21, 2015 date that a nuisance odor condition was documented.

Good Faith Efforts to Comply

25.0%

Reduction

\$937

Before NOE/NOV NOE/NOV to EDRP/Settlement Offer

Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective action by February 4, 2015, prior to the June 22, 2015 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$3,563

This violation Final Assessed Penalty (adjusted for limits) \$3,563

Economic Benefit Worksheet

Respondent FL Rich Gas Services, LP
Case ID No. 50842
Reg. Ent. Reference No. RN106476377
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

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

See the Economic Benefit for 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

Screening Date 17-Jul-2015

Docket No. 2015-1075-AIR-E

PCW

Respondent FL Rich Gas Services, LP

Policy Revision 4 (April 2014)

Case ID No. 50842

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106476377

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code § 116.615(2), Tex. Health & Safety Code § 382.085(b), and Standard Permit Registration No. 104685, Requirement (a)(3)

Violation Description

Failed to comply with the maximum allowable hourly VOC emission rates for EPNs AMINE-1 and AMINE-2. Specifically, the Respondent exceeded the 1.36 pounds per hour ("lbs/hr") maximum allowable VOC emission rate for EPN AMINE-1 on January 20, 2015 and January 21, 2015 with an average hourly VOC emission rate of 1.76 lbs/hr and 1.81 lbs/hr, respectively, resulting in 20.4 lbs of unauthorized VOC. The Respondent also exceeded the 1.36 lbs/hr maximum allowable VOC emission rate for EPN AMINE-2 on January 20, 2015 and January 21, 2015 with an average hourly VOC emission rate of 2.15 lbs/hr and 2.17 lbs/hr, respectively, resulting in 38.4 lbs of unauthorized VOC.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Based on the average hourly emission rates on January 20, 2015 and January 21, 2015, approximately 58.8 lbs of unauthorized VOC was released. Human health or the environment has been exposed to insignificant amounts of pollutants that 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 2

15 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$7,500

Two quarterly events are recommended from the January 20, 2015 initial date of non-compliance to the February 4, 2015 compliance date (one event for each amine vent).

Good Faith Efforts to Comply

25.0%

Reduction \$1,875

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

Notes The Respondent completed corrective action by February 4, 2015, prior to the June 22, 2015 NOE.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$7,125

This violation Final Assessed Penalty (adjusted for limits) \$7,125

Economic Benefit Worksheet

Respondent FL Rich Gas Services, LP
Case ID No. 50842
Reg. Ent. Reference No. RN106476377
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

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

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

See the Economic Benefit for 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.



Compliance History Report

PUBLISHED Compliance History Report for CN603741513, RN106476377, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator: CN603741513, FL Rich Gas Services, LP **Classification:** SATISFACTORY **Rating:** 0.40

Regulated Entity: RN106476377, LONE STAR PROCESSING FACILITY **Classification:** SATISFACTORY **Rating:** 1.60

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

CH Group: 14 - Other

Location: ON FARM-TO-MARKET ROAD 1465, APPROXIMATELY 3.2 MILES WEST OF THE INTERSECTION OF FARM-TO-MARKET ROAD 1465 AND U.S. ROUTE 181, NEAR TULETA, TEXAS, BEE COUNTY

TCEQ Region: REGION 14 - CORPUS CHRISTI

ID Number(s):

AIR NEW SOURCE PERMITS REGISTRATION 104685 **AIR NEW SOURCE PERMITS** AFS NUM 4802500032
AIR OPERATING PERMITS PERMIT 3750 **AIR EMISSIONS INVENTORY ACCOUNT NUMBER** BEA004D
AIR EMISSIONS INVENTORY ACCOUNT NUMBER BEA004D

Compliance History Period: September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

Date Compliance History Report Prepared: July 10, 2015

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: July 10, 2010 to July 10, 2015

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	August 18, 2014	(1186603)
Item 2	October 03, 2014	(1190977)
Item 3	January 02, 2015	(1212073)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

- 1 Date: 08/01/2014 (1163532) CN603741513
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter A 106.6(c)
30 TAC Chapter 116, SubChapter B 116.116(a)
30 TAC Chapter 116, SubChapter B 116.116(b)
5C THSC Chapter 382 382.085(b)
Registration No. 105675 PA
Description: Failure to comply with the emissions representation.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)
5C THSC Chapter 382 382.085(b)
Description: Failure to operate the flare with no visible emissions for more than five minutes in any two hour period.
- 2 Date: 09/30/2014 (1163530) CN603741513
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter F 116.615
5C THSC Chapter 382 382.085(b)
Subsection (e)(11)(G) PERMIT
Description: Failure to operate the flare with no visible emissions except for periods not to exceed a total of 5 minutes during any two consecutive hours.
- 3 Date: 11/07/2014 (1177518) CN603741513
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)
5C THSC Chapter 382 382.085(b)
Description: Failure to prevent unauthorized emissions to the atmosphere during multiple emissions events.
- 4 Date: 06/22/2015 (1247991) CN603741513
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter F 116.615(1)
30 TAC Chapter 116, SubChapter F 116.615(2)
5C THSC Chapter 382 382.085(b)
Subsection (e)(11)(G) PERMIT
Description: Failure to operate flares with no visible emissions except for periods not to exceed a total of five minutes during any two consecutive hours.

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
FL RICH GAS SERVICES, LP
RN106476377**

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

**AGREED ORDER
DOCKET NO. 2015-1075-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 FL Rich Gas Services, LP ("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 on Farm-to-Market Road 1465, approximately 3.2 miles west of the intersection of Farm-to-Market Road 1465 and U.S. Route 181 near Tuleta, Bee 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 June 27, 2015.
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-Eight Thousand Five Hundred One Dollars (\$28,501) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-Two Thousand Eight

Hundred One Dollars (\$22,801) of the administrative penalty and Five Thousand Seven Hundred Dollars (\$5,700) 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 by February 4, 2015 the Respondent installed a supplemental gas line to the electric motor driven carbon dioxide ("CO₂") compressors so that supplemental gas can be added to the suction of stage one of the CO₂ compressors to keep them loaded enough to run. This allows at least 75% of the acid gas from the amine vents to be routed through the CO₂ compressors, which is what is represented in the Respondent's Standard Permit Registration No. 104685. Additionally, this prevents the recurrence of a nuisance odor condition similar to the nuisance odor condition documented on January 21, 2015 and reduces volatile organic compounds ("VOC") emissions from Emission Point Numbers ("EPNs") AMINE-1 and AMINE-2 below the maximum allowable hourly VOC emission rates.
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 comply with representations in a standard permit registration, in violation of 30 TEX. ADMIN. CODE § 116.615(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and Standard Permit Registration No. 104685, as documented during an investigation conducted from January 21, 2015 through March 30, 2015. Specifically, the representations initially submitted on February 27, 2014 and revised on October 9, 2014 for Standard Permit Registration No. 104685 state that approximately 20%, and 25% in

the revised representations, of acid gas from the amine vents will be vented to the atmosphere and the remaining gas will be routed to the electric motor driven CO₂ compressors and then injected into the residue pipeline. However, 100% of acid gas from the amine vents has been vented to the atmosphere since the Plant was commissioned on December 3, 2013 because the CO₂ compressors have been unable to stay continuously running due to a low volume of inlet gas.

2. Failed to prevent a nuisance odor condition, in violation of 30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b), as documented during an investigation conducted from January 21, 2015 through March 30, 2015. Specifically, on January 21, 2015, TCEQ staff conducted an odor survey downwind of the Plant; detected a strong, highly offensive odor coming from the Plant; and determined that this odor caused a nuisance condition and impacted off-property receptors.
3. Failed to comply with the maximum allowable hourly VOC emission rates for EPNs AMINE-1 and AMINE-2, in violation of 30 TEX. ADMIN. CODE § 116.615(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and Standard Permit Registration No. 104685, Requirement (a)(3), as documented during an investigation conducted from January 21, 2015 through March 30, 2015. Specifically, the Respondent exceeded the 1.36 pounds per hour ("lbs/hr") maximum allowable VOC emission rate for EPN AMINE-1 on January 20, 2015 and January 21, 2015 with an average hourly VOC emission rate of 1.76 lbs/hr and 1.81 lbs/hr, respectively, resulting in 20.4 lbs of unauthorized VOC. The Respondent also exceeded the 1.36 lbs/hr maximum allowable VOC emission rate for EPN AMINE-2 on January 20, 2015 and January 21, 2015 with an average hourly VOC emission rate of 2.15 lbs/hr and 2.17 lbs/hr, respectively, resulting in 38.4 lbs of unauthorized VOC.

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: FL Rich Gas Services, LP, Docket No. 2015-1075-AIR-E" to:

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

2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. 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.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
5. Pursuant to 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Ramona Maulia
For the Executive Director

1/8/16
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.

David L. Ishmael
Signature

10-5-15
Date

David L. Ishmael
Name (Printed or typed)
Authorized Representative of
FL Rich Gas Services, LP

Vice President Operations
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.