

Executive Summary – Enforcement Matter – Case No. 50532
Benedum Gas Partners, L.P.
RN100211846
Docket No. 2015-0743-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Wilshire Treating Facility, 1000 Road 305, Crane, Upton County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: December 25, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$23,978

Amount Deferred for Expedited Settlement: \$4,795

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$19,183

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

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: March 17, 2015

Date(s) of NOE(s): April 30, 2015

Executive Summary – Enforcement Matter – Case No. 50532
Benedum Gas Partners, L.P.
RN100211846
Docket No. 2015-0743-AIR-E

Violation Information

1. Failed to submit a revised General Operating Permit (“GOP”) application prior to the operation of a change in applicability at a facility. Specifically, the Respondent failed to submit a GOP revision application for the inclusion of Tanks TK-903, TK-904, TK-905, TK-909, and TK-910 and the installation of compression and dehydration units and their associated emissions before operation began [30 TEX. ADMIN. CODE §§ 122.121, 122.143(4), and 122.503(a), Federal Operating Permit (“FOP”) No. 0945/Oil and Gas GOP No. 514, Site-Wide Requirements (b)(6)(A), and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b)].
2. Failed to obtain proper authorization prior to the modification of an existing facility. Specifically, the Respondent failed to include Tanks TK-911 and TK-912 in a standard permit application prior to operation of the two produced water tanks [30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On December 8, 2014, submitted the notice of changes in the representations for Standard Permit Registration No. 119950 to include Tanks TK-911 and TK-912;
- b. On April 30, 2015, obtained authorization for Tanks TK-911 and TK-912; and
- c. On May 21, 2015, voided FOP No. 0945/Oil and Gas GOP No. 514.

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

Executive Summary – Enforcement Matter – Case No. 50532
Benedum Gas Partners, L.P.
RN100211846
Docket No. 2015-0743-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Raime Hayes-Falero, Enforcement Division,
Enforcement Team 4, MC R-12, (713) 767-3567; Melissa Cordell, Enforcement Division,
MC 219, (512) 239-2483

TCEQ SEP Coordinator: N/A

Respondent: Michael K. Davis, Executive Vice-President, Benedum Gas Partners,
L.P., 211 North Colorado Street, Midland, Texas 79701

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	4-May-2015	Screening	7-May-2015	EPA Due	
	PCW	1-Oct-2015				

RESPONDENT/FACILITY INFORMATION

Respondent	Benedum Gas Partners, L.P.				
Reg. Ent. Ref. No.	RN100211846				
Facility/Site Region	7-Midland	Major/Minor Source	Major		

CASE INFORMATION

Enf./Case ID No.	50532	No. of Violations	2
Docket No.	2015-0743-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Raime Hayes-Falero
		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**

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	\$1,224
Estimated Cost of Compliance	\$1,250

*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 7-May-2015

Docket No. 2015-0743-AIR-E

PCW

Respondent Benedict Gas Partners, L.P.

Policy Revision 4 (April 2014)

Case ID No. 50532

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100211846

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	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 (<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) 22%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with dissimilar violations and one order with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 22%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 22%

Screening Date 7-May-2015
Respondent Benedum Gas Partners, L.P.
Case ID No. 50532

Docket No. 2015-0743-AIR-E

PCW

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

Reg. Ent. Reference No. RN100211846
Media [Statute] Air
Enf. Coordinator Raime Hayes-Falero

Violation Number

Rule Cite(s) 30 Tex. Admin. Code §§ 122.121, 122.143(4), and 122.503(a), Federal Operating Permit No. 0945/Oil and Gas General Operating Permit ("GOP") No. 514, Site-Wide Requirements (b)(6)(A), and Tex. Health & Safety Code §§ 382.054 and 382.085(b)

Violation Description Failed to submit a revised GOP application prior to the operation of a change in applicability at a facility. Specifically, the Respondent failed to submit a GOP revision application for the inclusion of Tanks TK-903, TK-904, TK-905, TK-909, and TK-910 and the installation of compression and dehydration units and their associated emissions before operation began.

Base Penalty

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="15.0%"/>

Matrix Notes

100% of the rule requirement was not met.

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="text" value="x"/>

Violation Base Penalty

One single event is recommended.

Good Faith Efforts to Comply

Reduction

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="text" value="x"/>	(mark with x)

Notes

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

Violation Subtotal

Economic Benefit (EB) for this violation

Estimated EB Amount

Statutory Limit Test

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Benedum Gas Partners, L.P.
Case ID No. 50532
Reg. Ent. Reference No. RN100211846
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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

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]	\$1,000	4-Jan-2012	21-May-2015	4.30	\$215	\$1,000	\$1,215
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Avoided cost to submit a GOP revision to include new equipment and associated emissions. The Date Required is the date the violation began and the Final Date is the date the FOP/GOP was voided.

Approx. Cost of Compliance \$1,000

TOTAL \$1,215

Screening Date 7-May-2015

Docket No. 2015-0743-AIR-E

PCW

Respondent Benedum Gas Partners, L.P.

Policy Revision 4 (April 2014)

Case ID No. 50532

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100211846

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.110(a) and Tex. Health & Safety Code §§ 382.0518(a) and 382.085(b)

Violation Description

Failed to obtain proper authorization prior to the modification of an existing facility. Specifically, the Respondent failed to include Tanks TK-911 and TK-912 in a standard permit application prior to operation of the two produced water tanks.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 5

274 Number of violation days

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

Violation Base Penalty \$18,750

Five monthly events are recommended for the period from July 30, 2014 (first date of non-compliance) through April 30, 2015 (date of compliance).

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 on December 8, 2014, before the April 30, 2015 Notice of Enforcement.

Violation Subtotal \$14,063

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$9

Violation Final Penalty Total \$19,159

This violation Final Assessed Penalty (adjusted for limits) \$19,159

Economic Benefit Worksheet

Respondent Benedum Gas Partners, L.P.
Case ID No. 50532
Reg. Ent. Reference No. RN100211846
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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$250	30-Jul-2014	30-Apr-2015	0.75	\$9	n/a	\$9
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost submit the notice of changes in the representations for Standard Permit Registration No. 119950 to include Tanks TK-911 and TK-912. The Date Required is the date the notification of changes was due and the Final Date is the date corrective action was completed.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$250

TOTAL \$9



Compliance History Report

PUBLISHED Compliance History Report for CN603076787, RN100211846, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator:	CN603076787, Benedum Gas Partners, L.P.	Classification: SATISFACTORY	Rating: 0.90
Regulated Entity:	RN100211846, WILSHIRE TREATING FACILITY	Classification: SATISFACTORY	Rating: 2.50
Complexity Points:	8	Repeat Violator: NO	
CH Group:	03 - Oil and Gas Extraction		
Location:	1000 ROAD 305 CRANE, TX 79731, UPTON COUNTY		
TCEQ Region:	REGION 07 - MIDLAND		
ID Number(s):			
AIR OPERATING PERMITS ACCOUNT NUMBER UB0002K	AIR OPERATING PERMITS PERMIT 945		
AIR NEW SOURCE PERMITS ACCOUNT NUMBER UB0002K	AIR NEW SOURCE PERMITS AFS NUM 4846100003		
AIR NEW SOURCE PERMITS REGISTRATION 119950	AIR EMISSIONS INVENTORY ACCOUNT NUMBER UB0002K		
Compliance History Period:	September 01, 2009 to August 31, 2014	Rating Year: 2014	Rating Date: 09/01/2014
Date Compliance History Report Prepared:	July 13, 2015		
Agency Decision Requiring Compliance History:	Enforcement		
Component Period Selected:	May 19, 2010 to May 19, 2015		
TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.			
Name:	Raime Hayes-Falero	Phone:	(713) 767-3567

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: 12/04/2010 ADMINORDER 2010-0700-AIR-E (1660 Order-Agreed Order With Denial)
 Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.146(2)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: O-00945/GOP 514 OP
 Description: Failed to submit the annual permit compliance certification ("PCC") within 30 days after the end of the certification period. Specifically, the PCC for the December 3, 2008 through December 2, 2009 period was due on January 1, 2010, but was not submitted until February 18, 2010, which was 48 days late.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	February 10, 2011	(894844)
Item 2	April 03, 2012	(996285)
Item 3	November 20, 2013	(1133409)
Item 4	January 31, 2014	(1139887)
Item 5	April 25, 2014	(1163606)
Item 6	August 21, 2014	(1183987)

E. Written notices of violations (NOV) (CEDS 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:	04/30/2015	(1241671)	CN603076787
	Self Report?	NO		Classification: Minor
	Citation:	40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(a)(1) 5C THSC Chapter 382 382.085(b)		
	Description:	Failure to submit start of construction notification for JJJJ engines E-1, E-2 and E-3 within 30 days after the start of construction. According to the Enforcement Initiation Criteria this is a Category C3 violation.		
	Self Report?	NO		Classification: Moderate
	Citation:	40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6603(a) 5C THSC Chapter 382 382.085(b)		
	Description:	Failure to conduct RICE MACT maintenance that requires oil and filter changes and inspection of spark plugs, hoses and belts within 2160 hours of operations. According to the Enforcement Initiation Criteria this is a Category C4 violation.		
	Self Report?	NO		Classification: Minor
	Citation:	30 TAC Chapter 106, SubChapter U 106.478(2)		
	Description:	Failure to maintain pressure in storage tanks TK-903, TK-904, TK-905, TK-909 and TK-910, exceeding the 11 psia maximum vapor pressure. According to the Enforcement Initiation Criteria this is a Category C4 violation.		

F. Environmental audits:

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
BENEDUM GAS PARTNERS, L.P.
RN100211846**

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

AGREED ORDER DOCKET NO. 2015-0743-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 Benedum Gas Partners, L.P. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas processing plant located at 1000 Road 305 in Crane, Upton 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 May 5, 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-Three Thousand Nine Hundred Seventy-Eight Dollars (\$23,978) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Nineteen Thousand One Hundred Eighty-Three Dollars (\$19,183) of the administrative penalty

and Four Thousand Seven Hundred Ninety-Five Dollars (\$4,795) 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 December 8, 2014, submitted the notice of changes in the representations for Standard Permit Registration No. 119950 to include Tanks TK-911 and TK-912;
 - b. On April 30, 2015, obtained authorization for Tanks TK-911 and TK-912; and
 - c. On May 21, 2015, voided Federal Operating Permit ("FOP") No. 0945/Oil and Gas General Operating Permit ("GOP") No. 514.
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 submit a revised GOP application prior to the operation of a change in applicability at a facility, in violation of 30 TEX. ADMIN. CODE §§ 122.121, 122.143(4), and 122.503(a), FOP No. 0945/Oil and Gas GOP No. 514, Site-Wide Requirements (b)(6)(A), and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b), as documented during an investigation conducted on March 17, 2015. Specifically, the Respondent failed to submit a GOP revision application for the inclusion of Tanks TK-903, TK-904, TK-905, TK-909,

and TK-910 and the installation of compression and dehydration units and their associated emissions before operation began.

2. Failed to obtain proper authorization prior to the modification of an existing facility, in violation of 30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), as documented during an investigation conducted on March 17, 2015. Specifically, the Respondent failed to include Tanks TK-911 and TK-912 in a standard permit application prior to operation of the two produced water tanks.

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: Benedum Gas Partners, L.P., Docket No. 2015-0743-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. 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.

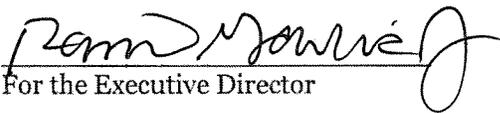
MKE

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date



For the Executive Director

4/19/16

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.



Signature

1/25/16

Date

MICHAEL DAVIS

Name (Printed or typed)
Authorized Representative of
Benedum Gas Partners, L.P.

VP MIDSTREAM

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.