

Executive Summary – Enforcement Matter – Case No. 59740
James Lake Midstream LLC
RN107088759
Docket No. 2020-1137-AIR-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:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

James Lake Gas Plant, located approximately 4.6 miles northwest of the Farm-to-Market Road 866 and Texas Highway 302 intersection and on the east side of Farm-to-Market Road 866 near Goldsmith, Ector County

Type of Operation:

Oil and gas production plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: July 9, 2021

Comments Received: No

Penalty Information

Total Penalty Assessed: \$20,476

Total Paid to General Revenue: \$10,238

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$10,238

Name of SEP: Texas Congress of Parents and Teachers dba Texas PTA (Third-Party Pre-Approved)

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. 59740
James Lake Midstream LLC
RN107088759
Docket No. 2020-1137-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: July 2, 2020

Date(s) of NOE(s): August 18, 2020

Violation Information

1. Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event [30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O3771/General Operating Permit ("GOP") No. 514, Site-wide Requirements Nos. (b)(2) and (b)(42)(F), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to prevent unauthorized emissions. Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 116553, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Special Conditions ("SC") No. (a)(4), FOP No. O3771/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(9)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to prevent unauthorized emissions. Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 116553, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, SC No. (a)(4), FOP No. O3771/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(9)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to prevent unauthorized emissions. Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 116553, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, SC No. (a)(4), FOP No. O3771/GOP No. 514, Site-

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wide Requirements Nos. (b)(2) and (b)(9)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On November 30, 2019, submitted the initial notification for Incident No. 325682;
- b. On December 18, 2019, submitted the initial notification for Incident No. 326824;
- c. On December 23, 2019, submitted the initial notification for Incident No. 327157;
- d. By May 6, 2020, implemented several projects to improve monitoring, maintenance, reliability, and process control in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 325682, 326824, and 327157; and
- e. By June 1, 2020, implemented systematic changes for prompt communications and reporting in order to ensure that initial notifications for reportable emissions events are submitted in a timely manner.

Technical Requirements:

The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Richard Garza, Enforcement Division, Enforcement Team 4, MC 219, (512) 239-2697; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

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

SEP Third-Party Administrator: Texas PTA, 408 West 11th Street, Austin, Texas 78701

Respondent: Douglas Miller, Chief Operating Officer, James Lake Midstream LLC, 24 Waterway Avenue, Suite 1460, The Woodlands, Texas 77380

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	24-Aug-2020	Screening	26-Aug-2020	EPA Due	
	PCW	19-Apr-2021				

RESPONDENT/FACILITY INFORMATION	
Respondent	James Lake Midstream LLC
Reg. Ent. Ref. No.	RN107088759
Facility/Site Region	7-Midland
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	59740	No. of Violations	4
Docket No.	2020-1137-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Richard Garza
		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	\$15,750
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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	55.0%	Adjustment	Subtotals 2, 3, & 7	\$8,662
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Notes: Enhancement for three NOVs with same or similar violations and two orders containing a denial of liability.

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	-\$3,936
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$1,129	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$52,250	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$20,476
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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	\$20,476
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$20,476
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DEFERRAL	0.0%	Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes: No deferral is recommended for Findings Orders.

PAYABLE PENALTY	\$20,476
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Screening Date 26-Aug-2020

Docket No. 2020-1137-AIR-E

PCW

Respondent James Lake Midstream LLC

Policy Revision 4 (April 2014)

Case ID No. 59740

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN107088759

Media Air

Enf. Coordinator Richard Garza

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	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>)	3	15%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	2	40%
	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%
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) 55%

>> 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 three NOVs with same or similar violations and two orders containing a denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 55%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 55%

Screening Date 26-Aug-2020

Docket No. 2020-1137-AIR-E

PCW

Respondent James Lake Midstream LLC

Policy Revision 4 (April 2014)

Case ID No. 59740

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN107088759

Media Air

Enf. Coordinator Richard Garza

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O3771/General Operating Permit ("GOP") No. 514, Site-wide Requirements Nos. (b)(2) and (b)(42)(F), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event. Specifically, the initial notification for Incident No. 325682 was due by November 30, 2019 at 12:58 a.m., but was not submitted until November 30, 2019 at 4:14 p.m.; the initial notification for Incident No. 326824 was due by December 18, 2019 at 6:39 a.m., but was not submitted until December 18, 2019 at 8:41 p.m.; and the initial notification for Incident No. 327157 was due by December 23, 2019 at 12:43 p.m., but was not submitted until December 23, 2019 at 3:13 p.m.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0.0%
	Potential				

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
				x	1.0%

Less than 30% of the rule requirement was not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 3 3 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$750

Three single events are recommended (one event for each late notification).

Good Faith Efforts to Comply

25.0%

Reduction \$187

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		

Notes The Respondent achieved compliance by June 1, 2020, before the Notice of Enforcement ("NOE") dated August 18, 2020.

Violation Subtotal \$563

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$40

Violation Final Penalty Total \$976

This violation Final Assessed Penalty (adjusted for limits) \$976

Economic Benefit Worksheet

Respondent James Lake Midstream LLC
Case ID No. 59740
Reg. Ent. Reference No. RN107088759
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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	\$1,500	30-Nov-2019	1-Jun-2020	0.50	\$38	n/a	\$38
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$750	30-Nov-2019	23-Dec-2019	0.06	\$2	n/a	\$2

Notes for DELAYED costs

Estimated costs to submit the initial notifications for Incident Nos. 325682, 326824, and 327157 (\$250/notification * three notifications) and to implement systematic changes for prompt communications and reporting in order to ensure that initial notifications for reportable emissions events are submitted in a timely manner (\$1,500). The Dates Required are the date the first initial notification was due and the Final Dates are the date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,250

TOTAL

\$40

Screening Date 26-Aug-2020

Docket No. 2020-1137-AIR-E

PCW

Respondent James Lake Midstream LLC

Policy Revision 4 (April 2014)

Case ID No. 59740

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN107088759

Media Air

Enf. Coordinator Richard Garza

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 116553, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Special Conditions ("SC") No. (a)(4), FOP No. O3771/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(9)(E)(ii), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,225.7 pounds ("lbs") of sulfur dioxide ("SO2"), 13.32 lbs of hydrogen sulfide ("H2S"), 0.31 lb of nitrogen oxides ("NOx"), 2.70 lbs of carbon monoxide ("CO"), and 0.23 lb of volatile organic compounds ("VOC") from the Emergency Acid Gas Flare, Emissions Point Number ("EPN") FL-2, during an emissions event (Incident No. 325682) that occurred on November 29, 2019 and lasted one hour and 34 minutes. The emissions event occurred when the Acid Gas Injection ("AGI") C-9900 Compressor went down at the first stage scrubber level and the AGI C-9800 Compressor could not sustain the full load, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

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 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 1 1 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction

\$937

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

Extraordinary		
Ordinary	x	
N/A		

Notes

The Respondent achieved compliance by May 6, 2020, before the NOE dated August 18, 2020.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,089

Violation Final Penalty Total \$4,876

This violation Final Assessed Penalty (adjusted for limits) \$4,876

Economic Benefit Worksheet

Respondent James Lake Midstream LLC
Case ID No. 59740
Reg. Ent. Reference No. RN107088759
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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)	\$50,000	29-Nov-2019	6-May-2020	0.44	\$1,089	n/a	\$1,089

Notes for DELAYED costs

Estimated cost to implement several projects to improve monitoring, maintenance, reliability, and process control in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 325682, 326824, and 327157. The Date Required is the date the first emissions event occurred and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$50,000

TOTAL \$1,089

Screening Date 26-Aug-2020
Respondent James Lake Midstream LLC
Case ID No. 59740
Reg. Ent. Reference No. RN107088759
Media Air
Enf. Coordinator Richard Garza

Docket No. 2020-1137-AIR-E

PCW

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

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 116553, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, SC No. (a)(4), FOP No. O3771/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(9)(E)(ii), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 31.09 lbs of SO₂, 0.34 lb of H₂S, 3,397.6 lbs of CO, and 2,441.0 lbs of VOC from the Emergency Flare, EPN FL-1, and 13,887.98 lbs of SO₂, 150.93 lbs of H₂S, 3.6 lbs of NO_x, 30.6 lbs of CO, and 4.4 lbs of VOC from the Emergency Acid Gas Flare, EPN FL-2, during an emissions event (Incident No. 326824) that occurred on December 17, 2019 and lasted six hours and 48 minutes. The emissions event occurred when an alarm from an out of service vessel shut down the amine circulation pumps that caused the inlet gas to sour, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual			x		30.0%
Potential					

>> Programmatic Matrix

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

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events	1	1	Number of violation days
daily			
weekly			
monthly		x	
quarterly			
semiannual			
annual			
single event			

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction \$1,875

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		

Notes: The Respondent achieved compliance by May 6, 2020, before the NOE dated August 18, 2020.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0 **Violation Final Penalty Total** \$9,750

This violation Final Assessed Penalty (adjusted for limits) \$9,750

Economic Benefit Worksheet

Respondent James Lake Midstream LLC
Case ID No. 59740
Reg. Ent. Reference No. RN107088759
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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 in Violation No. 2.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				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 26-Aug-2020 **Docket No.** 2020-1137-AIR-E **PCW**
Respondent James Lake Midstream LLC *Policy Revision 4 (April 2014)*
Case ID No. 59740 *PCW Revision March 26, 2014*
Reg. Ent. Reference No. RN107088759
Media Air
Enf. Coordinator Richard Garza

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 116553, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, SC No. (a)(4), FOP No. O3771/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(9)(E)(ii), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 545.04 lbs of SO₂, 5.92 lbs of H₂S, 0.1 lb of NO_x, 1.2 lbs of CO, and 0.2 lb of VOC from the Emergency Acid Gas Flare, EPN FL-2, during an emissions event (Incident No. 327157) that occurred on December 22, 2019 and lasted 18 minutes. The emissions event occurred when the AGI C-9900 Compressor shut down due to a cooling fan trip and the AGI C-9800 Compressor was offline for maintenance, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

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 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 1 1 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$937

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

Extraordinary		
Ordinary	x	
N/A		

Notes

The Respondent achieved compliance by May 6, 2020, before the NOE dated August 18, 2020.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,876

This violation Final Assessed Penalty (adjusted for limits) \$4,876

Economic Benefit Worksheet

Respondent James Lake Midstream LLC
Case ID No. 59740
Reg. Ent. Reference No. RN107088759
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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 in Violation No. 2.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				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

Compliance History Report for CN604509893, RN107088759, Rating Year 2020 which includes Compliance History (CH) components from September 1, 2015, through August 31, 2020.

Customer, Respondent, or Owner/Operator: CN604509893, James Lake Midstream LLC
Classification: SATISFACTORY **Rating:** 11.25

Regulated Entity: RN107088759, JAMES LAKE GAS PLANT
Classification: SATISFACTORY **Rating:** 11.25

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

CH Group: 03 - Oil and Gas Extraction

Location: APPROXIMATELY 4.6 MILES NORTHWEST OF THE FARM-TO-MARKET ROAD 866 AND TEXAS HIGHWAY 302 INTERSECTION AND ON THE EAST SIDE OF FARM-TO-MARKET ROAD 866 NEAR GOLDSMITH, ECTOR COUNTY, TX

TCEQ Region: REGION 07 - MIDLAND

ID Number(s):

AIR OPERATING PERMITS PERMIT 3771

AIR NEW SOURCE PERMITS REGISTRATION 116553

AIR NEW SOURCE PERMITS AFS NUM 4813500214

AIR EMISSIONS INVENTORY ACCOUNT NUMBER

EBA014N

Compliance History Period: September 01, 2015 to August 31, 2020 **Rating Year:** 2020 **Rating Date:** 09/01/2020

Date Compliance History Report Prepared: January 29, 2021

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 29, 2016 to January 29, 2021

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

Name: Richard Garza

Phone: (512) 239-2697

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

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 04/09/2019 ADMINORDER 2018-0405-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP No. 03771/GOP No. 514 OP

Description: Two (2) Failures to report an emission event within 24 hours of incident discovery. Incident numbers 247649 and 249005.

Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP site wide requirements OP

MAER REG

Description: Failure to comply with Emission Limits of Permit Number 116553. Incident number 247649.

Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP site wide requirements OP

MAER REG

Description: Failure to comply with Emission Limits of Permit Number 116553. Incident number 249005.

2 Effective Date: 02/11/2020 ADMINORDER 2019-0729-AIR-E (1660 Order-Agreed Order With Denial)
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
 30 TAC Chapter 116, SubChapter F 116.615(2)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: NRSP 116553(c)(4)(B) PERMIT
 Description: Failure to maintain emissions below the limits set by the NRSP

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 2	June 15, 2017	(1420907)
Item 3	June 20, 2017	(1417412)
Item 4	June 26, 2017	(1417400)
Item 5	June 29, 2017	(1417122)
Item 6	July 06, 2017	(1420984)
Item 7	July 07, 2017	(1417154)
Item 8	July 14, 2017	(1422705)
Item 9	October 23, 2017	(1438816)
Item 10	February 27, 2018	(1466965)
Item 11	August 22, 2018	(1498835)
Item 12	August 28, 2018	(1489801)
Item 13	October 24, 2019	(1598508)
Item 14	December 09, 2019	(1612816)
Item 15	December 18, 2019	(1610528)
Item 16	January 15, 2020	(1610570)
Item 17	January 22, 2020	(1610575)
Item 18	January 30, 2020	(1598503)
Item 19	February 19, 2020	(1630715)
Item 20	April 28, 2020	(1645530)
Item 21	July 14, 2020	(1652007)
Item 22	August 26, 2020	(1659906)
Item 23	August 31, 2020	(1669825)
Item 24	September 25, 2020	(1598928)
Item 25	October 28, 2020	(1685468)
Item 26	November 09, 2020	(1679293)
Item 27	November 18, 2020	(1598613)
Item 28	November 24, 2020	(1691558)
Item 29	November 25, 2020	(1691594)
Item 30	December 07, 2020	(1692874)
Item 31	December 18, 2020	(1679309)
Item 32	December 30, 2020	(1663975)
Item 33	January 11, 2021	(1697926)
Item 34	January 14, 2021	(1698255)
Item 35	January 21, 2021	(1699010)

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: 10/09/2020 (1679964)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

Description: 5C THSC Chapter 382 382.085(b)
This is an alleged violation of 30 Texas Administrative Code (TAC) Chapter 101.201(a)(1)(B) which requires initial notification of a reportable emissions event within 24 hours of discovery. This is classified as a category C 3 violation by the Enforcement Initiation Criteria (EIC) document. When the RE failed to report the incident properly under 30 TAC 101.201(a)(1)(B), the unauthorized emissions became ineligible for exemption. This results in a violation of 30 TAC 101.201(a)(1)(B).

- 2 Date: 10/16/2020 (1680124)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)
Description: Eleven (11) Failures to report emission events within 24 hours of the incident discovery. Incident Numbers 219592, 225328, 242535, 242536, 242539, 242541, 249605, 250649, 251657, 251658, and 253276.
- 3 Date: 11/13/2020 (1666194)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085
Description: Failure to report the incident properly to the TCEQ Midland Regional Office within 24 hours after the discovery of the event.

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

Component Appendices

Appendix A

All NOV's Issued During Component Period 1/29/2016 and 1/29/2021

1	Date:	05/18/2017	(1395009)	Classification:	Moderate
	Self Report?	NO	For Informational Purposes Only		
	Citation:	5C THSC Chapter 382 382.085 SC (b)(10) OP			
	Description:	Failure to maintain records of quarterly visible emission observations.			
			Classification:	Moderate	
	Self Report?	NO	For Informational Purposes Only		
	Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A) 5C THSC Chapter 382 382.085			
	Description:	Failure to maintain records of daily visible emission observations.			
			Classification:	Moderate	
	Self Report?	NO	For Informational Purposes Only		
	Citation:	40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOO 60.5400(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.482-1a(a) 5C THSC Chapter 382 382.085			
	Description:	Failure to conduct initial monitoring of ancillary equipment at an onshore natural gas processing plant within 180 days of startup.			
			Classification:	Moderate	
	Self Report?	NO	For Informational Purposes Only		
	Citation:	40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOO 60.5422 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.487a 5C THSC Chapter 382 382.085			
	Description:	failure to submit the initial semi-annual report for monitoring of ancillary equipment at an onshore natural gas processing plant within 30 days of the end of the initial semi-annual period.			
			Classification:	Moderate	
	Self Report?	NO	For Informational Purposes Only		
	Citation:	5C THSC Chapter 382 382.085 NRSP 116553 Table 9 PERMIT			
	Description:	Failure to maintain inspections of weekly audible, visible, and olfactory (AVO) of fugitive components.			
			Classification:	Moderate	
	Self Report?	NO	For Informational Purposes Only		
	Citation:	40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOO 60.5400(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.482-2a 5C THSC Chapter 382 382.085			
	Description:	failure to maintain inspection of weekly AVO of pumps in light liquid service.			
			Classification:	Moderate	
	Self Report?	NO	For Informational Purposes Only		
	Citation:	5C THSC Chapter 382 382.085 NRSP 116553 (j)(1) Table 7 PERMIT			
	Description:	Failure to complete initial and quarterly engine testing.			
			Classification:	Moderate	
	Self Report?	NO	For Informational Purposes Only		
	Citation:	40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4243(b)(2)(ii) 5C THSC Chapter 382 382.085			
	Description:	failure to conduct initial engine testing per NSPS JJJJ within 180 days of startup.			
			Classification:	Moderate	
	Self Report?	NO	For Informational Purposes Only		
	Citation:	5C THSC Chapter 382 382.085 nrsp 116553 PERMIT			
	Description:	Failure to keep emissions for NOx and CO less than or equal to the permitted factors.			
			Classification:	Moderate	
	Self Report?	NO	For Informational Purposes Only		
	Citation:	5C THSC Chapter 382 382.085 NRSP (e)(3) Table 6 PERMIT			
	Description:	Failure to keep permitted emission factors for NOx and CO under the standards of			

the NRSP Table 6 for 2SLB, non-emergency, spark ignited engines >500HP, manufactured on or after July 1, 2010.

- 2 Date: 01/23/2018 (1464939) Classification: Minor
Self Report? NO For Informational Purposes Only
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)
Description: Twenty four (24) Failures to report an emission event within 24 hours of the incident discovery. Incident numbers 244414, 244461, 244472, 244488, 244490, 244493, 245766, 245838, 245900, 246083, 246084, 246153, 246156, 246159, 246584, 246628, 246671, 246953, 246957, 246980, 246988, 247428, 247508, and 247619.
- 3 Date: 01/23/2018 (1465137) Classification: Minor
Self Report? NO For Informational Purposes Only
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)
Description: Nine (9) Failures to report an emission event within 24 hours of the incident discovery. Incident numbers 247629, 247640, 248464, 248618, 248619, 248621, 248622, 248623, and 248974.
- 4 Date: 02/21/2019 (1540196) Classification: Minor
Self Report? NO For Informational Purposes Only
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)
Description: Eleven (11) Failures to report emission events within 24 hours of the incident discovery. Incident Numbers 219592, 225328, 242535, 242536, 242539, 242541, 249605, 250649, 251657, 251658, and 253276.
- 5 Date: 04/26/2019 (1554567) Classification: Minor
Self Report? NO For Informational Purposes Only
Citation: 30 TAC Chapter 101, SubChapter A 101.24(b)
5C THSC Chapter 382 382.085
Description: Failure to submit the emissions fee basis form within 60 days of the form being issued.
Classification: Minor
Self Report? NO For Informational Purposes Only
Citation: 5C THSC Chapter 382 382.085
NRSP 116553(j)(1) Table 7 PERMIT
Description: Failure to perform quarterly engine testing for the third quarter of 2017.
Classification: Minor
Self Report? NO For Informational Purposes Only
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.482-7a(a)(2)(i)
5C THSC Chapter 382 382.085
Description: Failure to monitor valves within 30 days after the end of the startup period.
Classification: Minor
Self Report? NO For Informational Purposes Only
Citation: 5C THSC Chapter 382 382.085
NRSP 116553(f)(4) PERMIT
Description: Failure to submit construction notifications under the site's Air Quality Standard Permit through E-Permits.
- 6 Date: 10/09/2020 (1679964) Classification: Moderate
Self Report? NO For Informational Purposes Only
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)
Description: This is an alleged violation of 30 Texas Administrative Code (TAC) Chapter 101.201(a)(1)(B) which requires initial notification of a reportable emissions event within 24 hours of discovery. This is classified as a category C 3 violation

by the Enforcement Initiation Criteria (EIC) document. When the RE failed to report the incident properly under 30 TAC 101.201(a)(1)(B), the unauthorized emissions became ineligible for exemption. This results in a violation of 30 TAC 101.201(a)(1)(B).

7 Date: 10/16/2020 (1680124) Classification: Minor
Self Report? NO For Informational Purposes Only
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)
Description: Eleven (11) Failures to report emission events within 24 hours of the incident discovery. Incident Numbers 219592, 225328, 242535, 242536, 242539, 242541, 249605, 250649, 251657, 251658, and 253276.

8 Date: 11/13/2020 (1666194) Classification: Moderate
Self Report? NO For Informational Purposes Only
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085
Description: Failure to report the incident properly to the TCEQ Midland Regional Office within 24 hours after the discovery of the event.

* NOVs applicable for the Compliance History rating period 9/1/2015 to 8/31/2020

Appendix B

All Investigations Conducted During Component Period January 29, 2016 and January 29, 2021

Item 1	May 18, 2017**	(1395009) For Informational Purposes Only
Item 2*	June 15, 2017**	(1420907) For Informational Purposes Only
Item 3*	June 20, 2017**	(1417412) For Informational Purposes Only
Item 4*	June 26, 2017**	(1417400) For Informational Purposes Only
Item 5*	June 29, 2017**	(1417122) For Informational Purposes Only
Item 6*	July 06, 2017**	(1420984) For Informational Purposes Only
Item 7*	July 07, 2017**	(1417154) For Informational Purposes Only
Item 8*	July 14, 2017**	(1422705) For Informational Purposes Only
Item 9*	October 23, 2017**	(1438816) For Informational Purposes Only
Item 10	January 11, 2018**	(1461263) For Informational Purposes Only
Item 11	January 24, 2018**	(1464939) For Informational Purposes Only
Item 12*	February 27, 2018**	(1466965) For Informational Purposes Only
Item 13	March 12, 2018**	(1473855) For Informational Purposes Only

Item 14	March 14, 2018**	(1472984) For Informational Purposes Only
Item 15*	August 22, 2018**	(1498835) For Informational Purposes Only
Item 16*	August 28, 2018**	(1489801) For Informational Purposes Only
Item 17	February 27, 2019**	(1540196) For Informational Purposes Only
Item 18	May 07, 2019**	(1554567) For Informational Purposes Only
Item 19*	October 24, 2019**	(1598508) For Informational Purposes Only
Item 20*	December 09, 2019**	(1612816) For Informational Purposes Only
Item 21*	December 18, 2019**	(1610528) For Informational Purposes Only
Item 22*	January 15, 2020**	(1610570) For Informational Purposes Only
Item 23*	January 22, 2020**	(1610575) For Informational Purposes Only
Item 24*	January 30, 2020**	(1598503) For Informational Purposes Only
Item 25*	February 19, 2020**	(1630715) For Informational Purposes Only
Item 26*	April 28, 2020**	(1645530) For Informational Purposes Only
Item 27*	July 14, 2020**	(1652007) For Informational Purposes Only
Item 28	August 18, 2020**	(1650751) For Informational Purposes Only
Item 29*	August 26, 2020**	(1659906) For Informational Purposes Only
Item 30*	August 31, 2020**	(1669825) For Informational Purposes Only
Item 31*	September 25, 2020	(1598928) For Informational Purposes Only
Item 32	October 09, 2020	(1679964) For Informational Purposes Only
Item 33	October 14, 2020	(1680124) For Informational Purposes Only
Item 34*	October 28, 2020	(1685468) For Informational Purposes Only
		(1679293)

Item 35*	November 09, 2020	For Informational Purposes Only (1598613)
Item 36*	November 18, 2020	For Informational Purposes Only (1691558)
Item 37*	November 24, 2020	For Informational Purposes Only (1691594)
Item 38*	November 25, 2020	For Informational Purposes Only (1692874)
Item 39*	December 07, 2020	For Informational Purposes Only (1666194)
Item 40	December 08, 2020	For Informational Purposes Only (1679309)
Item 41*	December 18, 2020	For Informational Purposes Only (1663975)
Item 42*	December 30, 2020	For Informational Purposes Only (1666197)
Item 43	January 04, 2021	For Informational Purposes Only (1697926)
Item 44*	January 11, 2021	For Informational Purposes Only (1698255)
Item 45*	January 14, 2021	For Informational Purposes Only (1699010)
Item 46*	January 21, 2021	For Informational Purposes Only

* No violations documented during this investigation

**Investigation applicable for the Compliance History Rating period between 09/01/2015 and 08/31/2020.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
JAMES LAKE MIDSTREAM LLC
RN107088759**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2020-1137-AIR-E**

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding James Lake Midstream LLC (the "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 presented this Order to the Commission.

The Respondent understands that they have certain procedural rights at certain points in the enforcement process, including 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 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 agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this 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 an oil and gas production plant located approximately 4.6 miles northwest of the Farm-to-Market Road 866 and Texas Highway 302 intersection and on the east side of Farm-to-Market Road 866 near Goldsmith, Ector County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. During a record review conducted on July 2, 2020, an investigator documented that:
 - a. The initial notification for Incident No. 325682 was due by November 30, 2019 at 12:58 a.m., but was not submitted until November 30, 2019 at 4:14 p.m.; the initial notification for Incident No. 326824 was due by December 18, 2019 at 6:39 a.m., but was not submitted until December 18, 2019 at 8:41 p.m.; and the initial notification for Incident No. 327157 was due by December 23, 2019 at 12:43 p.m., but was not submitted until December 23, 2019 at 3:13 p.m.

- b. The Respondent released 1,225.7 pounds ("lbs") of sulfur dioxide ("SO₂"), 13.32 lbs of hydrogen sulfide ("H₂S"), 0.31 lb of nitrogen oxides ("NO_x"), 2.70 lbs of carbon monoxide ("CO"), and 0.23 lb of volatile organic compounds ("VOC") from the Emergency Acid Gas Flare, Emissions Point Number ("EPN") FL-2, during an emissions event (Incident No. 325682) that occurred on November 29, 2019 and lasted one hour and 34 minutes. The emissions event occurred when the Acid Gas Injection ("AGI") C-9900 Compressor went down at the first stage scrubber level and the AGI C-9800 Compressor could not sustain the full load, resulting in flaring. TCEQ staff determined that the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices.
 - c. The Respondent released 31.09 lbs of SO₂, 0.34 lb of H₂S, 3,397.6 lbs of CO, and 2,441.0 lbs of VOC from the Emergency Flare, EPN FL-1, and 13,887.98 lbs of SO₂, 150.93 lbs of H₂S, 3.6 lbs of NO_x, 30.6 lbs of CO, and 4.4 lbs of VOC from the Emergency Acid Gas Flare, EPN FL-2, during an emissions event (Incident No. 326824) that occurred on December 17, 2019 and lasted six hours and 48 minutes. The emissions event occurred when an alarm from an out of service vessel shut down the amine circulation pumps that caused the inlet gas to sour, resulting in flaring. TCEQ staff determined that the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices.
 - d. The Respondent released 545.04 lbs of SO₂, 5.92 lbs of H₂S, 0.1 lb of NO_x, 1.2 lbs of CO, and 0.2 lb of VOC from the Emergency Acid Gas Flare, EPN FL-2, during an emissions event (Incident No. 327157) that occurred on December 22, 2019 and lasted 18 minutes. The emissions event occurred when the AGI C-9900 Compressor shut down due to a cooling fan trip and the AGI C-9800 Compressor was offline for maintenance, resulting in flaring. TCEQ staff determined that the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices.
3. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On November 30, 2019, submitted the initial notification for Incident No. 325682.
 - b. On December 18, 2019, submitted the initial notification for Incident No. 326824.
 - c. On December 23, 2019, submitted the initial notification for Incident No. 327157.

- d. By May 6, 2020, implemented several projects to improve monitoring, maintenance, reliability, and process control in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 325682, 326824, and 327157.
- e. By June 1, 2020, implemented systematic changes for prompt communications and reporting in order to ensure that initial notifications for reportable emissions events are submitted in a timely manner.

II. CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact No. 1, the Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
2. As evidenced by Finding of Fact No. 2.a, the Respondent failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O3771/General Operating Permit ("GOP") No. 514, Site-wide Requirements Nos. (b)(2) and (b)(42)(F), and TEX. HEALTH & SAFETY CODE § 382.085(b).
3. As evidenced by Finding of Fact No. 2.b, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 116553, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Special Conditions ("SC") No. (a)(4), FOP No. O3771/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(9)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
4. As evidenced by Finding of Fact No. 2.c, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 116553, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, SC No. (a)(4), FOP No. O3771/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(9)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
5. As evidenced by Finding of Fact No. 2.d, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 116553, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, SC No. (a)(4), FOP No. O3771/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(9)(E)(ii), and TEX. HEALTH & SAFETY CODE

§ 382.085(b). Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

6. Pursuant to TEX. WATER CODE § 7.051, the TCEQ has the authority to assess an administrative penalty against the Respondent for violations of state statutes within the TCEQ's jurisdiction, for violations of rules adopted under such statutes, or for violations of orders or permits issued under such statutes.
7. An administrative penalty in the amount of \$20,476 is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent paid \$10,238 of the penalty. Pursuant to TEX. WATER CODE § 7.067, \$10,238 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

III. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Conclusion of Law No. 7 for violations of state statutes and rules of the TCEQ. The payment of this penalty and the Respondent's compliance with all the requirements set forth in this Order resolve only the matters set forth by this Order in this action. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations that are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: James Lake Midstream LLC, Docket No. 2020-1137-AIR-E" to:

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

2. The Respondent shall implement and complete an SEP as set forth in Conclusion of Law No. 7. The amount of \$10,238 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.

3. All relief not expressly granted in this Order is denied.
4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this 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.
7. 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 in this Order.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. This 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 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.
10. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this 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 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.


11. 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

Date



For the Executive Director

12/01/2021

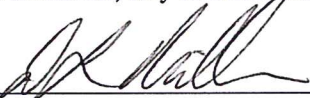
Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, 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

3/16/21

Date

Douglas L Miller
Name (Printed or typed)
Authorized Representative of
James Lake Midstream LLC

Chief Operating Officer

Title

If mailing address has changed, please check this box and provide the new address below:

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

Attachment A
Docket Number: 2020-1137-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	James Lake Midstream LLC
Payable Penalty Amount:	\$20,476
SEP Offset Amount:	\$10,238
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Texas Congress of Parents and Teachers dba Texas PTA
Project Name:	<i>Texas PTA Clean School Bus Replacement Program</i>
Location of SEP:	Texas Air Quality Control Region 218: Midland-Odessa-San Angelo - Preference for Ector County

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

1. Project Description

a. Project

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

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

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

c. Minimum Expenditure

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

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Texas Congress of Parents and Teachers SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas PTA
408 West 11th Street
Austin, Texas 78701

3. Records and Reporting

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

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

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

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

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

5. Publicity

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

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

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