

Executive Summary – Enforcement Matter – Case No. 60518
Lonestar Operating, LLC
RN109957415
Docket No. 2021-0400-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Cyclone CDP, located approximately 1.3 miles southeast of the County Road 118 South and County Road 206 intersection near Wrightsboro, Gonzales County

Type of Operation:

Natural gas compressor station

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: February 11, 2022

Comments Received: No

Penalty Information

Total Penalty Assessed: \$17,938

Amount Deferred for Expedited Settlement: \$3,587

Total Paid to General Revenue: \$14,351

Total Due to General Revenue: \$0

Payment Plan: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - High

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014 and January 2021

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: September 25, 2020 through October 9, 2020 and July 6, 2021 through August 8, 2021

Date(s) of NOE(s): February 9, 2021 and August 27, 2021

Executive Summary – Enforcement Matter – Case No. 60518
Lonestar Operating, LLC
RN109957415
Docket No. 2021-0400-AIR-E

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. Specifically, the initial notification for Incident No. 339388 was due by July 8, 2020 at 12:00 a.m., but was not submitted until July 22, 2020 at 9:29 a.m. [30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O4093/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 submit a final record for a reportable emissions event no later than two weeks after the end of the emissions event. Specifically, the final record for Incident No. 339388 was due by July 23, 2020, but was not submitted [30 TEX. ADMIN. CODE §§ 101.201(c) and 122.143(4), FOP No. O4093/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(42)(F), and TEX. HEALTH & SAFETY CODE § 382.085(b)].
3. Failed to prevent unauthorized emissions. Specifically, the Respondent released 877.36 pounds ("lbs") of volatile organic compounds, 518.80 lbs of nitrogen oxides, 1,035.72 lbs of carbon monoxide, 1,711.60 lbs of sulfur dioxide, and 17.46 lbs of hydrogen sulfide from the Flare, Emissions Point Number FL-2, during an emissions event (Incident No. 339388) that began on July 7, 2020 and lasted 48 hours. The emissions event occurred when a maintenance activity at a third-party gathering facility caused the sales line to shut down, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, 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. 148608, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Special Conditions No. (a)(4), FOP No. O4093/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 submit a deviation report for at least each six-month period after permit issuance and failed to submit the deviation report no later than 30 days after the end of each reporting period. Specifically, the Respondent submitted a deviation report for the March 1, 2020 through August 31, 2020 reporting period, but a deviation report for the January 11, 2020 through February 29, 2020 reporting period was not submitted by March 30, 2020 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(B) and (C), FOP No. O4093/GOP No. 514, Site-wide Requirements No. (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

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5. Failed to report all instances of deviations. Specifically, the deviation report for the September 1, 2020 through February 28, 2021 reporting period did not include the deviations for failing to submit a deviation reporting for the January 11, 2020 through February 29, 2020 reporting period and failing to report the Notice of Violation issued on February 9, 2021 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O4093/GOP No. 514, Site-wide Requirements No. (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

6. Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a permit compliance certification ("PCC") within 30 days of any certification period. Specifically, the PCC for the January 11, 2020 through January 10, 2021 certification period was due by February 9, 2021, but was not submitted [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (2), FOP No. O4093/GOP No. 514, Site-wide Requirements No. (b)(3), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

On July 22, 2020, the Respondent submitted the initial notification for Incident No. 339388.

Technical Requirements:

The Order will require the Respondent to:

a. Within 30 days:

i. Submit the final record for Incident No. 339388;

ii. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 339388;

iii. Submit the deviation reports for the January 11, 2020 through July 10, 2020 reporting period and the July 11, 2020 through January 10, 2021 reporting periods;

iv. Implement measures and/or procedures designed to ensure that the deviation reports are submitted in a timely manner; and

v. Submit the PCC for the January 11, 2020 through January 10, 2021 certification period.

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Lonestar Operating, LLC
RN109957415
Docket No. 2021-0400-AIR-E

b. Within 45 days, submit written certification to demonstrate compliance with a.

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Yuliya Dunaway, Enforcement Division, Enforcement Team 4, MC R-13, (210) 403-4077; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

Respondent: Sean Mahaffey, Environmental Health & Safety Manager, Lonestar Operating, LLC, 9352 Highway 90A East, Gonzalez, Texas 78629

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	9-Mar-2021	Screening	17-Mar-2021	EPA Due	
	PCW	29-Apr-2022				

RESPONDENT/FACILITY INFORMATION	
Respondent	Lonestar Operating, LLC
Reg. Ent. Ref. No.	RN109957415
Facility/Site Region	14-Corpus Christi
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	60518	No. of Violations	3
Docket No.	2021-0400-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Yuliya Dunaway
		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	\$7,750
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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	0.0% Adjustment	Subtotals 2, 3, & 7	\$0
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Notes: No adjustment for compliance history.

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	-\$62
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$1,230	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$10,500	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$7,688
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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	\$7,688
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$7,688
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DEFERRAL	20.0%	Reduction	Adjustment	-\$1,537
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$6,151
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Screening Date 17-Mar-2021

Docket No. 2021-0400-AIR-E

PCW

Respondent Lonestar Operating, LLC

Policy Revision 4 (April 2014)

Case ID No. 60518

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN109957415

Media Air

Enf. Coordinator Yuliya Dunaway

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

>> 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

No adjustment for compliance history.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 0%

Screening Date 17-Mar-2021 **Docket No.** 2021-0400-AIR-E **PCW**
Respondent Lonestar Operating, LLC *Policy Revision 4 (April 2014)*
Case ID No. 60518 *PCW Revision March 26, 2014*
Reg. Ent. Reference No. RN109957415
Media Air
Enf. Coordinator Yuliya Dunaway

Violation Number 1
Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O4093/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. 339388 was due by July 8, 2020 at 12:00 a.m., but was not submitted until July 22, 2020 at 9:29 a.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 requirements were not met.					
Adjustment					\$24,750

Adjustment \$24,750 \$250

Violation Events

Number of Violation Events Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply Reduction

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		
Notes	The Respondent achieved compliance on July 22, 2020, prior to the Notice of Enforcement dated February 9, 2021.	
Violation Subtotal <input type="text" value="\$188"/>		

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount **Violation Final Penalty Total**
This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Lonestar Operating, LLC
Case ID No. 60518
Reg. Ent. Reference No. RN109957415
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				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	8-Jul-2020	22-Jul-2020	0.04	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to submit the initial notification for Incident No. 339388. The Date Required is the date the initial notification was due 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

\$250

TOTAL

\$0

Screening Date 17-Mar-2021
Respondent Lonestar Operating, LLC
Case ID No. 60518
Reg. Ent. Reference No. RN109957415
Media Air
Enf. Coordinator Yuliya Dunaway

Docket No. 2021-0400-AIR-E

PCW

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

Violation Number

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(c) and 122.143(4), FOP No. O4093/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 a final record for a reportable emissions event no later than two weeks after the end of the emissions event. Specifically, the final record for Incident No. 339388 was due by July 23, 2020, but was not submitted.

Base Penalty

>> **Environmental, Property and Human Health Matrix**

OR	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**

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
		<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="15.0%"/>
100% of the rule requirements were not met.					

Adjustment

Violation Events

Number of Violation Events Number of violation days

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"/>	<input type="text"/>

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

Violation Subtotal

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Lonestar Operating, LLC
Case ID No. 60518
Reg. Ent. Reference No. RN109957415
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)	\$250	23-Jul-2020	1-Dec-2022	2.36	\$29	n/a	\$29

Notes for DELAYED costs

Estimated costs to submit the final record for Incident No. 339388. The Date Required is the date the final record was due and the Final Date is the estimated 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 \$250

TOTAL \$29

Screening Date 17-Mar-2021
Respondent Lonestar Operating, LLC
Case ID No. 60518
Reg. Ent. Reference No. RN109957415
Media Air
Enf. Coordinator Yuliya Dunaway

Docket No. 2021-0400-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. 148608, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Special Conditions No. (a)(4), FOP No. O4093/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 877.36 pounds ("lbs") of volatile organic compounds, 518.80 lbs of nitrogen oxides, 1,035.72 lbs of carbon monoxide, 1,711.60 lbs of sulfur dioxide, and 17.46 lbs of hydrogen sulfide from the Flare, Emissions Point Number FL-2, during an emissions event (Incident No. 339388) that began on July 7, 2020 and lasted 48 hours. The emissions event occurred when a maintenance activity at a third-party gathering facility caused the sales line to shut down, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, 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	15.0%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 2 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

0.0%

Reduction \$0

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

Notes

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

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,201

Violation Final Penalty Total \$3,750

This violation Final Assessed Penalty (adjusted for limits) \$3,750

Economic Benefit Worksheet

Respondent Lonestar Operating, LLC
Case ID No. 60518
Reg. Ent. Reference No. RN109957415
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)	\$10,000	7-Jul-2020	1-Dec-2022	2.40	\$1,201	n/a	\$1,201

Notes for DELAYED costs
 Estimated cost to implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 339388. The Date Required is the date the emissions event began and the Final Date is the estimated 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 \$10,000

TOTAL \$1,201



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	30-Aug-2021			
	PCW	29-Apr-2022	Screening	15-Sep-2021	EPA Due

RESPONDENT/FACILITY INFORMATION	
Respondent	Lonestar Operating, LLC
Reg. Ent. Ref. No.	RN109957415
Facility/Site Region	14-Corpus Christi
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	60518	No. of Violations	3
Docket No.	2021-0400-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Yuliya Dunaway
		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	\$10,250
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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	0.0% Adjustment	Subtotals 2, 3, & 7	\$0
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Notes: No adjustment for compliance history.

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	\$0
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$290
 Estimated Cost of Compliance: \$2,250
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$10,250
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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	\$10,250
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$10,250
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DEFERRAL	20.0%	Reduction	Adjustment	-\$2,050
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY	\$8,200
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Screening Date 15-Sep-2021

Docket No. 2021-0400-AIR-E

PCW

Respondent Lonestar Operating, LLC

Policy Revision 5 (January 28, 2021)

Case ID No. 60518

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN109957415

Media Air

Enf. Coordinator Yuliya Dunaway

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

>> 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

No adjustment for compliance history.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 0%

Screening Date 15-Sep-2021 **Docket No.** 2021-0400-AIR-E **PCW**
Respondent Lonestar Operating, LLC *Policy Revision 5 (January 28, 2021)*
Case ID No. 60518 *PCW Revision February 11, 2021*
Reg. Ent. Reference No. RN109957415
Media Air
Enf. Coordinator Yuliya Dunaway

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(B) and (C), Federal Operating Permit ("FOP") No. O4093/General Operating Permit ("GOP") No. 514, Site-wide Requirements No. (b)(2), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit a deviation report for at least each six-month period after permit issuance and failed to submit the deviation report no later than 30 days after the end of each reporting period. Specifically, the Respondent submitted a deviation report for the March 1, 2020 through August 31, 2020 reporting period, but a deviation report for the January 11, 2020 through February 29, 2020 reporting period was not submitted by March 30, 2020.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0.0%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
		x			20.0%

Matrix Notes 100% of the rule requirements were not met.

Adjustment \$20,000

\$5,000

Violation Events

Number of Violation Events 1 534 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$5,000

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction \$0

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

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

Violation Subtotal \$5,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$234 **Violation Final Penalty Total** \$5,000

This violation Final Assessed Penalty (adjusted for limits) \$5,000

Economic Benefit Worksheet

Respondent Lonestar Operating, LLC
Case ID No. 60518
Reg. Ent. Reference No. RN109957415
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
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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-Mar-2020	1-Dec-2022	2.67	\$201	n/a	\$201
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	30-Mar-2020	1-Dec-2022	2.67	\$33	n/a	\$33

Notes for DELAYED costs

Estimated costs to submit the deviation report for the January 11, 2020 through June 10, 2020 reporting period (\$250) and to implement measures and/or procedures designed to ensure that the deviation reports are submitted in a timely manner (\$1,500). The Dates Required is the date the deviation report for the January 11, 2020 through February 29, 2020 reporting period was due and the Final Dates are the estimated dates 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 \$1,750

TOTAL \$234

Screening Date 15-Sep-2021 **Docket No.** 2021-0400-AIR-E **PCW**
Respondent Lonestar Operating, LLC *Policy Revision 5 (January 28, 2021)*
Case ID No. 60518 *PCW Revision February 11, 2021*
Reg. Ent. Reference No. RN109957415
Media Air
Enf. Coordinator Yuliya Dunaway

Violation Number 2
Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), FOP No. O4093/GOP No. 514, Site-wide Requirements No. (b)(2), and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to report all instances of deviations. Specifically, the deviation report for the September 1, 2020 through February 28, 2021 reporting period did not include the deviations for failing to submit a deviation report for the January 11, 2020 through February 29, 2020 reporting period and failing to report the Notice of Violation issued on February 9, 2021.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0.0%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
				x	1.0%

Matrix Notes: Less than 30% of the rule requirements were not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1 169 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply 0.0% Reduction \$0

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

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

Violation Subtotal \$250

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount \$33 **Violation Final Penalty Total** \$250

This violation Final Assessed Penalty (adjusted for limits) \$250

Economic Benefit Worksheet

Respondent Lonestar Operating, LLC
Case ID No. 60518
Reg. Ent. Reference No. RN109957415
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
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	30-Mar-2020	1-Dec-2022	2.67	\$33	n/a	\$33

Notes for DELAYED costs

Submit a deviation report for the June 11, 2020 through January 10, 2021 reporting period that includes the deviation for failing to submit the deviation report for the January 11, 2020 through February 28, 2020 reporting period. The Date Required is the date the deviation report for the January 11, 2020 through February 29, 2020 was due and the Final Date is the estimated 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 \$250

TOTAL \$33

Screening Date 15-Sep-2021 **Docket No.** 2021-0400-AIR-E **PCW**
Respondent Lonestar Operating, LLC *Policy Revision 5 (January 28, 2021)*
Case ID No. 60518 *PCW Revision February 11, 2021*
Reg. Ent. Reference No. RN109957415
Media Air
Enf. Coordinator Yuliya Dunaway

Violation Number
Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.146(1) and (2), FOP No. O4093/GOP No. 514, Site-wide Requirements No. (b)(3), and Tex. Health & Safety Code § 382.085(b)

Violation Description
 Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a permit compliance certification ("PCC") within 30 days of any certification period. Specifically, the PCC for the January 11, 2020 through January 10, 2021 certification period was due by February 9, 2021, but was not submitted.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR	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="20.0%"/>

Matrix Notes

Adjustment

Violation Events

Number of Violation Events Number of violation days

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

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"/>	<input type="text"/>

Notes

Violation Subtotal

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount **Violation Final Penalty Total**

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Lonestar Operating, LLC
Case ID No. 60518
Reg. Ent. Reference No. RN109957415
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
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	9-Feb-2021	1-Dec-2022	1.81	\$23	n/a	\$23

Notes for DELAYED costs

Estimated cost to submit the PCC for the January 11, 2020 through January 10, 2021 certification period. The Date Required is the date the PCC was due and the Final Date is the estimated 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

\$250

TOTAL

\$23

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 CN604587238, RN109957415, Rating Year 2021 which includes Compliance History (CH) components from September 1, 2016, through August 31, 2021.

Customer, Respondent, or Owner/Operator: CN604587238, Lonestar Operating, LLC **Classification:** SATISFACTORY **Rating:** 7.53

Regulated Entity: RN109957415, CYCLONE CDP **Classification:** HIGH **Rating:** 0.00

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

CH Group: 03 - Oil and Gas Extraction

Location: APPROXIMATELY 1.3 MILES SOUTHEAST OF THE COUNTY ROAD 118 SOUTH AND COUNTY ROAD 206 INTERSECTION NEAR WRIGHTSBORO, GONZALES COUNTY, TEXAS

TCEQ Region: REGION 14 - CORPUS CHRISTI

ID Number(s):

AIR OPERATING PERMITS PERMIT 4093	AIR EMISSIONS INVENTORY ACCOUNT NUMBER GSA007G
AIR NEW SOURCE PERMITS AFS NUM 4817700017	AIR NEW SOURCE PERMITS REGISTRATION 148608

Compliance History Period: September 01, 2016 to August 31, 2021 **Rating Year:** 2021 **Rating Date:** 09/01/2021

Date Compliance History Report Prepared: January 04, 2022

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 04, 2017 to January 04, 2022

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

Name: Yuliya Dunaway	Phone: (210) 403-4077
-----------------------------	------------------------------

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:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

N/A

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

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

N/A

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
LONESTAR OPERATING, LLC
RN109957415**

**§
§
§
§
§**

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2021-0400-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 Lonestar Operating, 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 together stipulate that:

1. The Respondent owns and operates a natural gas compressor station located approximately 1.3 miles southeast of the County Road 118 South and County Road 206 intersection near Wrightsboro, Gonzales 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. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$17,938 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$14,351 of the penalty and \$3,587 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.
5. 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). 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.

6. 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 Order.
7. 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.
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. The Executive Director recognizes that on July 22, 2020, the Respondent submitted the initial notification for Incident No. 339388.

II. ALLEGATIONS

1. During a record review conducted from September 25, 2020 through October 9, 2020, an investigator documented that the Respondent:
 - a. 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. O4093/General Operating Permit ("GOP") No. 514, Site-wide Requirements Nos. (b)(2) and (b)(42)(F), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 339388 was due by July 8, 2020 at 12:00 a.m., but was not submitted until July 22, 2020 at 9:29 a.m.
 - b. Failed to submit a final record for a reportable emissions event no later than two weeks after the end of the emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(c) and 122.143(4), FOP No. O4093/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(42)(F), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the final record for Incident No. 339388 was due by July 23, 2020, but was not submitted.
 - c. 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. 148608, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Special Conditions No. (a)(4), FOP No. O4093/GOP No. 514, Site-wide Requirements Nos. (b)(2) and (b)(9)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 877.36 pounds ("lbs") of volatile organic compounds, 518.80 lbs of nitrogen oxides, 1,035.72 lbs of carbon monoxide, 1,711.60 lbs of sulfur dioxide, and 17.46 lbs of hydrogen sulfide from the Flare, Emissions Point Number FL-2, during an emissions event (Incident

No. 339388) that began on July 7, 2020 and lasted 48 hours. The emissions event occurred when a maintenance activity at a third-party gathering facility caused the sales line to shut down, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

2. During a record review conducted from July 6, 2021 through August 8, 2021, an investigator documented that the Respondent:
 - a. Failed to submit a deviation report for at least each six-month period after permit issuance and failed to submit the deviation report no later than 30 days after the end of each reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(B) and (C), FOP No. O4093/GOP No. 514, Site-wide Requirements No. (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent submitted a deviation report for the March 1, 2020 through August 31, 2020 reporting period, but a deviation report for the January 11, 2020 through February 29, 2020 reporting period was not submitted by March 30, 2020.
 - b. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O4093/GOP No. 514, Site-wide Requirements No. (b)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the deviation report for the September 1, 2020 through February 28, 2021 reporting period did not include the deviations for failing to submit a deviation report for the January 11, 2020 through February 29, 2020 reporting period and failing to report the Notice of Violation issued on February 9, 2021.
 - c. Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a permit compliance certification ("PCC") within 30 days of any certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (2), FOP No. O4093/GOP No. 514, Site-wide Requirements No. (b)(3), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the PCC for the January 11, 2020 through January 10, 2021 certification period was due by February 9, 2021, but was not submitted.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph No. 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this 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. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Lonestar Operating, LLC, Docket No. 2021-0400-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 undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Order:
 - i. Submit the final record for Incident No. 339388;
 - ii. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 339388;
 - iii. Submit the deviation report for the January 11, 2020 through June 10, 2020 reporting period and the July 11, 2020 through January 10, 2021 reporting period;
 - iv. Implement measures and/or procedures designed to ensure that the deviation reports are submitted in a timely manner; and
 - v. Submit the PCC for the January 11, 2020 through January 10, 2021 certification period.
 - b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be signed by the Respondent and shall include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Corpus Christi Regional Office
Texas Commission on Environmental Quality
500 North Shoreline Blvd., Suite 500
Corpus Christi, Texas 78401

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. Extension requests shall be sent to the Order Compliance Team at the address listed above.
7. 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.
8. 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.

9. 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



For the Executive Director

Date

10/12/2022

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

Sean Mahaffey

Name (Printed or typed)
Authorized Representative of
Lonestar Operating, LLC

9/20/2022

Date

Manager, HSE

Title

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