

**Executive Summary – Enforcement Matter – Case No. 61224  
Midcoast G & P (East Texas) L.P.  
RN102735800  
Docket No. 2021-1117-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Avinger Gas Processing Plant, 2339 Avinger Cut Off, Avinger, Marion County

**Type of Operation:**

Natural gas processing plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** December 31, 2021

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$17,575

**Amount Deferred for Expedited Settlement:** \$3,515

**Total Paid to General Revenue:** \$14,060

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** January 2021

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** July 13, 2021

**Date(s) of NOE(s):** August 16, 2021

**Executive Summary – Enforcement Matter – Case No. 61224**  
**Midcoast G & P (East Texas) L.P.**  
**RN102735800**  
**Docket No. 2021-1117-AIR-E**

***Violation Information***

1. Failed to comply with the minimum net heating value of 300 British thermal units per standard cubic foot ("Btu/scf") for the gas being combusted if the flare is steam-assisted or air-assisted. Specifically, the net heating value of the gas stream to the Flare was less than 300 Btu/scf for one hour on May 30, 2020 and for one hour on July 31, 2020 [30 TEX. ADMIN. CODE §§ 101.20(1), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.18(c)(3)(ii), New Source Review ("NSR") Permit No. 558, Special Conditions ("SC") No. 10.A, Federal Operating Permit ("FOP") No. O3037, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") Nos. 1.A and 9, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to operate the monitors and analyzers at least 95 percent ("%") of the time when the flare is operational, averaged over a rolling 12-month period. Specifically, the flow meter was operated for 79.15% of time when the Flare was operational from January 1, 2020 through June 30, 2020, resulting in the flow meter being operated for 84.31% of the time when the Flare was operational during the 12-month period ending December 2020 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), NSR Permit No. 588, SC No. 10.D, FOP No. O3037, GTC and STC No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent completed the following corrective actions:

a. In order to ensure that the monitors and analyzers are operated at least 95% of the time when the Flare is operational:

i. On March 19, 2020, replaced the flow meter; and

ii. By June 30, 2020, added a low flow alarm to alert Operations of issues with the flow meter.

b. In order to ensure that the net heating value is 300 Btu/scf or greater for the gas being combusted by the Flare:

i. On October 7, 2020, obtained a revision for Standard Permit Registration No. 149755 that authorized additional flare assist gas; and

ii. By October 27, 2020, replaced the valve that regulates the flare assist gas.

**Executive Summary – Enforcement Matter – Case No. 61224  
Midcoast G & P (East Texas) L.P.  
RN102735800  
Docket No. 2021-1117-AIR-E**

**Technical Requirements:**

N/A

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Kate Dacy, Enforcement Division, Enforcement Team 4, MC 219, (512) 239-4593; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

**Respondent:** L.T. Stone, Chief Operating Officer, Midcoast G & P (East Texas) L.P., 2020 Bill Owens Parkway, Suite 100, Longview, Texas 75604

Justin Vause, Environmental Advisor, Midcoast G & P (East Texas) L.P., 2020 Bill Owens Parkway, Suite 100, Longview, Texas 75604

**Respondent's Attorney:** N/A



# Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

<b>DATES</b>	<b>Assigned</b>	23-Aug-2021			
	<b>PCW</b>	20-Oct-2021	<b>Screening</b>	23-Aug-2021	<b>EPA Due</b>

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Midcoast G & P (East Texas) L.P.
<b>Reg. Ent. Ref. No.</b>	RN102735800
<b>Facility/Site Region</b>	5-Tyler
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	61224	<b>No. of Violations</b>	2
<b>Docket No.</b>	2021-1117-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Kate Dacy
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	<b>\$18,500</b>
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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.

<b>Compliance History</b>	<b>20.0%</b> Adjustment	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$3,700</b>
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Notes: Enhancement for one agreed order containing a denial of liability.

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

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	<b>-\$4,625</b>
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<b>Economic Benefit</b>	<b>0.0%</b> Enhancement*	<b>Subtotal 6</b>	<b>\$0</b>
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Total EB Amounts: \$861  
 Estimated Cost of Compliance: \$55,400  
 \*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	<b>\$17,575</b>
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	<b>0.0%</b> Adjustment	<b>\$0</b>
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

<b>Final Penalty Amount</b>	<b>\$17,575</b>
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	<b>\$17,575</b>
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<b>DEFERRAL</b>	<b>20.0%</b> Reduction	<b>Adjustment</b>	<b>-\$3,515</b>
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes: Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	<b>\$14,060</b>
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**Screening Date** 23-Aug-2021

**Docket No.** 2021-1117-AIR-E

**PCW**

**Respondent** Midcoast G & P (East Texas) L.P.

*Policy Revision 5 (January 28, 2021)*

**Case ID No.** 61224

*PCW Revision February 11, 2021*

**Reg. Ent. Reference No.** RN102735800

**Media** Air

**Enf. Coordinator** Kate Dacy

### 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> )	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

**Adjustment Percentage (Subtotal 2)** 20%

#### >> Repeat Violator (Subtotal 3)

No

**Adjustment Percentage (Subtotal 3)** 0%

#### >> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

**Adjustment Percentage (Subtotal 7)** 0%

#### >> Compliance History Summary

**Compliance History Notes**

Enhancement for one agreed order containing a denial of liability.

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

#### >> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 20%

**Screening Date** 23-Aug-2021 **Docket No.** 2021-1117-AIR-E **PCW**  
**Respondent** Midcoast G & P (East Texas) L.P. *Policy Revision 5 (January 28, 2021)*  
**Case ID No.** 61224 *PCW Revision February 11, 2021*  
**Reg. Ent. Reference No.** RN102735800  
**Media** Air  
**Enf. Coordinator** Kate Dacy

**Violation Number** 1

**Rule Cite(s)**

30 Tex. Admin. Code §§ 101.20(1), 116.115(c), and 122.143(4), 40 Code of Federal Regulations § 60.18(c)(3)(ii), New Source Review ("NSR") Permit No. 558, Special Conditions ("SC") No. 10.A, Federal Operating Permit ("FOP") No. O3037, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") Nos. 1.A and 9, and Tex. Health & Safety Code § 382.085(b)

**Violation Description**

Failed to comply with the minimum net heating value of 300 British thermal units per standard cubic foot ("Btu/scf") or greater for the gas being combusted if the flare is steam-assisted or air-assisted. Specifically, the net heating value of the gas stream to the Flare was less than 300 Btu/scf for one hour on May 30, 2020 and for one hour on July 31, 2020.

**Base Penalty** \$25,000

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

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

**Percent** 30.0%

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor

**Percent** 0.0%

Matrix Notes

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

**Adjustment** \$17,500

\$7,500

**Violation Events**

Number of Violation Events 2

2 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

**Violation Base Penalty** \$15,000

Two single events are recommended for the instances of non-compliance that occurred on May 30, 2020 and July 31, 2020.

**Good Faith Efforts to Comply**

25.0%

Reduction \$3,750

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

Notes

The Respondent completed corrective actions by October 27, 2020, prior to the Notice of Enforcement ("NOE") dated August 16, 2021.

**Violation Subtotal** \$11,250

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$76

**Violation Final Penalty Total** \$14,250

**This violation Final Assessed Penalty (adjusted for limits)** \$14,250

# Economic Benefit Worksheet

**Respondent** Midcoast G & P (East Texas) L.P.  
**Case ID No.** 61224  
**Reg. Ent. Reference No.** RN102735800  
**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	\$1,400	30-May-2020	7-Oct-2020	0.36	\$25	n/a	\$25
Other (as needed)	\$2,500	30-May-2020	27-Oct-2020	0.41	\$51	n/a	\$51

**Notes for DELAYED costs**

Estimated costs to obtain a revision for Standard Permit Registration No. 149755 that authorized additional flare assist gas (\$1,400) and to replace the valve that regulates the flare assist gas (\$2,500) in order to ensure that the net heating value is 300 Btu/scf or greater for the gas being combusted by the Flare. The Dates Required are the initial date of non-compliance and the Final Dates are the 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 \$3,900

**TOTAL** \$76

**Screening Date** 23-Aug-2021 **Docket No.** 2021-1117-AIR-E **PCW**  
**Respondent** Midcoast G & P (East Texas) L.P. *Policy Revision 5 (January 28, 2021)*  
**Case ID No.** 61224 *PCW Revision February 11, 2021*  
**Reg. Ent. Reference No.** RN102735800  
**Media** Air  
**Enf. Coordinator** Kate Dacy

**Violation Number** 2  
**Rule Cite(s)** 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), NSR Permit No. 588, SC No. 10.D, FOP No. O3037, GTC and STC No. 9, and Tex. Health & Safety Code § 382.085(b)  
**Violation Description** Failed to operate the monitors and analyzers at least 95 percent ("%") of the time when the flare is operational, averaged over a rolling 12-month period. Specifically, the flow meter was operated for 79.15% of the time when the Flare was operational from January 1, 2020 through June 30, 2020, resulting in the flow meter being operated for 84.31% of the time when the Flare was operational during the 12-month period ending on December 2020.

**Base Penalty** \$25,000

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				7.0%
	Potential			x	

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
					0.0%

**Matrix Notes** Human health or the environment will or could be exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of this violation.

**Adjustment** \$23,250

\$1,750

**Violation Events**

Number of Violation Events 2 181 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

**Violation Base Penalty** \$3,500

Two quarterly events are recommended for the period of non-compliance from January 1, 2020 through June 30, 2020.

**Good Faith Efforts to Comply**

25.0%

Reduction \$875

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

**Notes** The Respondent completed the corrective actions by June 30, 2020, prior to the NOE dated August 16, 2021.

**Violation Subtotal** \$2,625

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$785

**Violation Final Penalty Total** \$3,325

**This violation Final Assessed Penalty (adjusted for limits)** \$3,325



# Economic Benefit Worksheet

**Respondent** Midcoast G & P (East Texas) L.P.  
**Case ID No.** 61224  
**Reg. Ent. Reference No.** RN102735800  
**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	\$50,000	1-Jan-2020	19-Mar-2020	0.21	\$36	\$712	\$748
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)	\$1,500	1-Jan-2020	30-Jun-2020	0.50	\$37	n/a	\$37

**Notes for DELAYED costs**  
 Estimated costs to replace the flow meter (\$50,000) and implement a low flow alarm to alert Operations of issues with the flow meter in order to ensure that the monitors and analyzers are operated at least 95% of the time when the Flare is operational. The Dates Required are the initial date of non-compliance and the Final Dates are the date the flow meter was replaced and 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 \$51,500

**TOTAL** \$785

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 CN603573817, RN102735800, Rating Year 2021 which includes Compliance History (CH) components from September 1, 2016, through August 31, 2021.

**Customer, Respondent, or Owner/Operator:** CN603573817, Midcoast G & P (East Texas) L.P. **Classification:** SATISFACTORY **Rating:** 4.76

**Regulated Entity:** RN102735800, AVINGER GAS PROCESSING PLANT **Classification:** SATISFACTORY **Rating:** 5.63

**Complexity Points:** 7 **Repeat Violator:** NO

**CH Group:** 03 - Oil and Gas Extraction

**Location:** 2339 AVINGER CUT OFF, NEAR AVINGER, MARION COUNTY, TEXAS

**TCEQ Region:** REGION 05 - TYLER

## ID Number(s):

**AIR OPERATING PERMITS** PERMIT 3037 **AIR OPERATING PERMITS** ACCOUNT NUMBER ME0007V  
**AIR NEW SOURCE PERMITS** PERMIT 588 **AIR NEW SOURCE PERMITS** REGISTRATION 12153  
**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER ME0007V **AIR NEW SOURCE PERMITS** REGISTRATION 34970  
**AIR NEW SOURCE PERMITS** REGISTRATION 149755 **AIR NEW SOURCE PERMITS** AFS NUM 4831500009  
**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER ME0007V

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

**Date Compliance History Report Prepared:** October 20, 2021

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** October 20, 2016 to October 20, 2021

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

**Name:** Kate Dacy

**Phone:** (512) 239-4593

## 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: 04/13/2021 ADMINORDER 2020-0974-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 13.A. PERMIT

Special Terms and Conditions 9. OP

Description: Failure to test an engine for emissions of NOx and CO within seven days following engine maintenance which may reasonably be expected to increase emissions.

### B. Criminal convictions:

N/A

### C. Chronic excessive emissions events:

N/A

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

Item 1            February 27, 2017            (1395969)

**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  
MIDCOAST G & P (EAST TEXAS)  
L.P.  
RN102735800**

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**BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY**

**AGREED ORDER  
DOCKET NO. 2021-1117-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 Midcoast G & P (East Texas) L.P. (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 processing plant located at 2339 Avinger Cut Off near Avinger, Marion 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 \$17,575 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$14,060 of the penalty and \$3,515 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 the Respondent completed the following corrective actions at the Plant:
  - a. In order to ensure that the monitors and analyzers are operated at least 95 percent ("%") of the time when the Flare is operational:
    - i. On March 19, 2020, replaced the flow meter; and
    - ii. By June 30, 2020, added a low flow alarm to alert Operations of issues with the flow meter.
  - b. In order to ensure that the net heating value is 300 British thermal units per standard cubic foot ("Btu/scf") or greater for the gas being combusted by the Flare:
    - i. On October 7, 2020, obtained a revision for Standard Permit Registration No. 149755 that authorized additional flare assist gas; and
    - ii. By October 27, 2020, replaced the valve that regulates the flare assist gas.

## **II. ALLEGATIONS**

During a record review conducted on July 13, 2021, an investigator documented that the Respondent:

1. Failed to comply with the minimum net heating value of 300 Btu/scf for the gas being combusted if the flare is steam-assisted or air-assisted, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.18(c)(3)(ii), New Source Review ("NSR") Permit No. 558, Special Conditions ("SC") No. 10.A, Federal Operating Permit ("FOP") No. O3037, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") Nos. 1.A and 9, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the net heating value of the gas stream to the

Flare was less than 300 Btu/scf for one hour on May 30, 2020 and for one hour on July 31, 2020.

2. Failed to operate the monitors and analyzers at least 95% of the time when the flare is operational, averaged over a rolling 12-month period, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), NSR Permit No. 588, SC No. 10.D, FOP No. O3037, GTC and STC No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the flow meter was operated for 79.15% of time when the Flare was operational from January 1, 2020 through June 30, 2020, resulting in the flow meter being operated for 84.31% of the time when the Flare was operational during the 12-month period ending December 2020.

### **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: Midcoast G & P (East Texas) L.P., Docket No. 2021-1117-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. All relief not expressly granted in this Order is denied.
3. 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.
4. 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.
5. 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.

6. 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.
7. 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



8/10/2022

For the Executive Director

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

Date

Name (Printed or typed)

Title

Authorized Representative of  
Midcoast G & P (East Texas) L.P.

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