


TCEQ Interoffice Memorandum

To: Mary Smith, General Counsel

Thru: Amy Settemeyer, Deputy Director
Enforcement Division

From:  Michael Parrish, Agenda Special Assistant
Enforcement Division

Date: April 30, 2025

Subject: Request for Remand
May 1, 2025 Commission Agenda
Item No. 6 – Maple Energy Holdings, LLC
Docket No. 2022-1169-AIR-E

The Executive Director respectfully requests that the above-referenced item be remanded to staff, as the Executive Director has determined that additional case development is necessary.

Respondent Contact:

Philip Hudgens, Chief Operating Officer
Maple Energy Holdings, LLC
602 Sawyer Street, Suite 710, Houston, Texas 77007

phil@fractalresources.com

Please do not hesitate to call Michael Parrish at (512) 239-2548 if you have any questions regarding this matter.

cc: Garrett Arthur, Public Interest Counsel
Melissa Schmidt, Public Interest Counsel
Gill Valls, Office of General Counsel
Katherine McKenzie, Agenda Coordinator, Litigation Division
Amy Settemeyer, Deputy Director, Enforcement Division
Melissa Cordell, Assistant Deputy Director, Enforcement Division
Johnny Bowers, Manager, Air Section, Enforcement Division
Margarita Dennis, Team Leader, Air Section, Enforcement Division
Danielle Porras, Team Leader, Waste Section, Enforcement Division

Executive Summary – Enforcement Matter – Case No. 62931
Maple Energy Holdings, LLC
RN110681939
Docket No. 2022-1169-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

War Admiral 24, located approximately 0.6 mile southeast of the IH-20 Service Road and County Road 209 intersection, Pecos, Reeves 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: The complainant has expressed an interest in this matter but does not wish to speak at Agenda.

Texas Register Publication Date: January 10, 2025

Comments Received: No

Penalty Information

Total Penalty Assessed: \$23,437

Amount Deferred for Expedited Settlement: \$4,687

Total Paid to General Revenue: \$18,750

Total Due to General Revenue: \$0

Payment Plan: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: January 2021

Investigation Information

Complaint Date(s): July 7, 2022

Complaint Information: Alleged that hydrocarbons were continuously emitted from the tank battery.

Date(s) of Investigation: July 12, 2022

Date(s) of NOE(s): August 31, 2022

Executive Summary – Enforcement Matter – Case No. 62931
Maple Energy Holdings, LLC
RN110681939
Docket No. 2022-1169-AIR-E

Violation Information

1. Failed to obtain authorization prior to constructing or modifying a source of air contaminants. Specifically, the Respondent flared unsaleable gas prior to obtaining the proper authorization [30 TEX. ADMIN. CODE §§ 106.6(b), 106.6(c), and 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b)].
2. Failed to maintain all facilities with the potential to emit air contaminants in good working order and operated properly. Specifically, TCEQ staff used an Optical Gas Imaging Camera on July 12, 2022 and observed volatile organic compounds emissions from two leaking pressure release valves on the produced water tanks [30 TEX. ADMIN. CODE §§ 106.4(c) and 106.359(c)(1), Permit by Rule Registration No. 162349, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days:
 - i. Submit an administratively complete registration or permit application to authorize the flaring of unsaleable gas and the associated emissions at the Plant; and
 - ii. Implement measures and/or procedures designed to ensure that the water tanks are maintained in good condition and operated properly to minimize emissions at the Plant.
- b. Within 45 days, submit written certification demonstrating compliance with a.
- c. Within 180 days, submit written certification that either authorization for the flaring of unsaleable gas and the associated emissions at the Plant has been obtained or that operations have ceased until such time that appropriate authorization is obtained to demonstrate compliance.

Executive Summary – Enforcement Matter – Case No. 62931
Maple Energy Holdings, LLC
RN110681939
Docket No. 2022-1169-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Danielle Porras, Enforcement Division, Enforcement Team 2, MC R-12, (713) 767-3682; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

Respondent: Philip Hudgens, Chief Operating Officer, Maple Energy Holdings, LLC, 602 Sawyer Street, Suite 710, Houston, Texas 77007

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

| | | | | | | |
|--------------|-----------------|-------------|------------------|-------------|----------------|--|
| DATES | Assigned | 6-Sep-2022 | Screening | 15-Sep-2022 | EPA Due | |
| | PCW | 13-Nov-2024 | | | | |

RESPONDENT/FACILITY INFORMATION

| | | | | | |
|-----------------------------|----------------------------|---------------------------|-------|--|--|
| Respondent | Maple Energy Holdings, LLC | | | | |
| Reg. Ent. Ref. No. | RN110681939 | | | | |
| Facility/Site Region | 7-Midland | Major/Minor Source | Minor | | |

CASE INFORMATION

| | | | |
|--|-----------------|------------------------------|--------------------|
| Enf./Case ID No. | 62931 | No. of Violations | 2 |
| Docket No. | 2022-1169-AIR-E | Order Type | 1660 |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Danielle Porras |
| | | EC's Team | Enforcement Team 2 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$25,000 |

Penalty Calculation Section

| | | |
|---|-------------------|----------|
| TOTAL BASE PENALTY (Sum of violation base penalties) | Subtotal 1 | \$18,750 |
|---|-------------------|----------|

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

| | | | | |
|---------------------------|-------|-------------------|--------------------------------|---------|
| Compliance History | 25.0% | Adjustment | Subtotals 2, 3, & 7 | \$4,687 |
|---------------------------|-------|-------------------|--------------------------------|---------|

| | | | | |
|--------------|--|--|--|--|
| Notes | Enhancement for one NOV with same or similar violations and one agreed order containing a denial of liability. | | | |
|--------------|--|--|--|--|

| | | | | | |
|--------------------|----|------|--------------------|-------------------|-----|
| Culpability | No | 0.0% | Enhancement | Subtotal 4 | \$0 |
|--------------------|----|------|--------------------|-------------------|-----|

| | | | | |
|--------------|--|--|--|--|
| Notes | The Respondent does not meet the culpability criteria. | | | |
|--------------|--|--|--|--|

| | | |
|--|-------------------|-----|
| Good Faith Effort to Comply Total Adjustments | Subtotal 5 | \$0 |
|--|-------------------|-----|

| | | | | |
|-------------------------|------|---------------------|-------------------|-----|
| Economic Benefit | 0.0% | Enhancement* | Subtotal 6 | \$0 |
|-------------------------|------|---------------------|-------------------|-----|

| | | |
|------------------------------|----------|-----------------------------------|
| Total EB Amounts | \$376 | *Capped at the Total EB \$ Amount |
| Estimated Cost of Compliance | \$10,000 | |

| | | |
|-----------------------------|-----------------------|----------|
| SUM OF SUBTOTALS 1-7 | Final Subtotal | \$23,437 |
|-----------------------------|-----------------------|----------|

| | | | |
|---|------|-------------------|-----|
| OTHER FACTORS AS JUSTICE MAY REQUIRE | 0.0% | Adjustment | \$0 |
|---|------|-------------------|-----|

Reduces or enhances the Final Subtotal by the indicated percentage.

| | | | |
|--------------|--|--|--|
| Notes | | | |
|--------------|--|--|--|

| | |
|-----------------------------|----------|
| Final Penalty Amount | \$23,437 |
|-----------------------------|----------|

| | | |
|-----------------------------------|-------------------------------|----------|
| STATUTORY LIMIT ADJUSTMENT | Final Assessed Penalty | \$23,437 |
|-----------------------------------|-------------------------------|----------|

| | | | | |
|-----------------|-------|------------------|-------------------|----------|
| DEFERRAL | 20.0% | Reduction | Adjustment | -\$4,687 |
|-----------------|-------|------------------|-------------------|----------|

Reduces the Final Assessed Penalty by the indicated percentage.

| | | | |
|--------------|--|--|--|
| Notes | Deferral offered for expedited settlement. | | |
|--------------|--|--|--|

| | |
|------------------------|----------|
| PAYABLE PENALTY | \$18,750 |
|------------------------|----------|

| | | | | |
|--------------------------------|----------------------------|-------------------|-----------------|---|
| Screening Date | 15-Sep-2022 | Docket No. | 2022-1169-AIR-E | PCW |
| Respondent | Maple Energy Holdings, LLC | | | <i>Policy Revision 5 (January 28, 2021)</i> |
| Case ID No. | 62931 | | | <i>PCW Revision February 11, 2021</i> |
| Reg. Ent. Reference No. | RN110681939 | | | |
| Media | Air | | | |
| Enf. Coordinator | Danielle Porras | | | |

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>) | 1 | 5% |
| | 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) 25%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with same or similar violations and one agreed order containing a denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 25%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 25%

| | |
|---|---|
| Screening Date 15-Sep-2022 Respondent Maple Energy Holdings, LLC Case ID No. 62931 Reg. Ent. Reference No. RN110681939 Media Air Enf. Coordinator Danielle Porras Violation Number 1 | Docket No. 2022-1169-AIR-E <div style="text-align: right;"> PCW <i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i> </div> |
|---|---|

| | |
|------------------------------|---|
| Rule Cite(s) | 30 Tex. Admin. Code §§ 106.6(b), 106.6(c), and 116.110(a), and Tex. Health & Safety Code §§ 382.0518(a) and 382.085(b) |
| Violation Description | Failed to obtain authorization prior to constructing or modifying a source of air contaminants. Specifically, the Respondent flared unsaleable gas prior to obtaining the proper authorization. |

| | |
|---------------------|----------|
| Base Penalty | \$25,000 |
|---------------------|----------|

>> Environmental, Property and Human Health Matrix

| | | | | | |
|-----------|----------------|-------------|----------|-------|---------------------|
| OR | | Harm | | | |
| | Release | Major | Moderate | Minor | |
| | Actual | | | | Percent 0.0% |
| | Potential | | | | |

>> Programmatic Matrix

| | | | | | |
|---------------------|---|-------|----------|-------|----------------------|
| | Falsification | Major | Moderate | Minor | |
| | | x | | | Percent 10.0% |
| Matrix Notes | 100% of the rule requirements were not met. | | | | |

| | |
|-------------------|----------|
| Adjustment | \$22,500 |
| Total | \$2,500 |

Violation Events

| | | | |
|----------------------------|---|--------------------------|----|
| Number of Violation Events | 3 | Number of violation days | 65 |
|----------------------------|---|--------------------------|----|

| | | | | |
|--|--------------|---|-------------------------------|---------|
| | daily | | Violation Base Penalty | \$7,500 |
| | weekly | | | |
| | monthly | x | | |
| | quarterly | | | |
| | semiannual | | | |
| | annual | | | |
| | single event | | | |

Three monthly events are recommended, from the July 12, 2022 investigation date to the September 15, 2022 screening date

Good Faith Efforts to Comply

| | | | | |
|---------------|--|--|------------------|-----|
| | 0.0% | | Reduction | \$0 |
| | <small>Before NOE/NOV</small> | <small>NOE/NOV to EDPRP/Settlement Offer</small> | | |
| Extraordinary | | | | |
| Ordinary | | | | |
| N/A | x | | | |
| Notes | The Respondent does not meet the good faith criteria for this violation. | | | |

| | |
|---------------------------|---------|
| Violation Subtotal | \$7,500 |
|---------------------------|---------|

Economic Benefit (EB) for this violation

| | |
|--|-----------------------------|
| | Statutory Limit Test |
| Estimated EB Amount | \$188 |
| Violation Final Penalty Total | \$9,375 |
| This violation Final Assessed Penalty (adjusted for limits) | \$9,375 |

Economic Benefit Worksheet

Respondent Maple Energy Holdings, LLC
Case ID No. 62931
Reg. Ent. Reference No. RN110681939
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 | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | \$5,000 | 12-Jul-2022 | 13-Apr-2023 | 0.75 | \$188 | n/a | \$188 |
| Other (as needed) | | | | 0.00 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to obtain authorization for the flaring of unsaleable gas and the associated emissions. The Date Required is the investigation date 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

\$5,000

TOTAL

\$188

| | | |
|--|-----------------------------------|--|
| Screening Date 15-Sep-2022 Respondent Maple Energy Holdings, LLC Case ID No. 62931 Reg. Ent. Reference No. RN110681939 Media Air Enf. Coordinator Danielle Porras | Docket No. 2022-1169-AIR-E | PCW <i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i> |
|--|-----------------------------------|--|

| | | | |
|------------------------------|---|---|--|
| Violation Number | 2 | Rule Cite(s) | |
| | | 30 Tex. Admin. Code §§ 106.4(c) and 106.359(c)(1), Permit by Rule Registration No. 162349, and Tex. Health & Safety Code § 382.085(b) | |
| Violation Description | | Failed to maintain all facilities with the potential to emit air contaminants in good working order and operated properly. Specifically, TCEQ staff used an Optical Gas Imaging Camera on July 12, 2022 and observed volatile organic compounds emissions from two leaking pressure release valves on the produced water tanks. | |

| | |
|---------------------|----------|
| Base Penalty | \$25,000 |
|---------------------|----------|

>> Environmental, Property and Human Health Matrix

| | | | | | |
|-----------|----------------|-------------|----------|-------|----------------------|
| OR | | Harm | | | |
| | Release | 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. |
|---------------------|--|

| | |
|-------------------|----------|
| Adjustment | \$21,250 |
|-------------------|----------|

| | |
|--|---------|
| | \$3,750 |
|--|---------|

Violation Events

| | | | |
|----------------------------|---|----|--------------------------|
| Number of Violation Events | 3 | 65 | Number of violation days |
|----------------------------|---|----|--------------------------|

| | | | | | | | | |
|--|-------|--------|---------|-----------|------------|--------|--------------|--|
| | daily | weekly | monthly | quarterly | semiannual | annual | single event | |
| | | | x | | | | | Violation Base Penalty \$11,250 |

| |
|---------------------------------------|
| Three monthly events are 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 | \$11,250 |
|---------------------------|----------|

Economic Benefit (EB) for this violation

| | |
|----------------------------|-------|
| Estimated EB Amount | \$188 |
|----------------------------|-------|

Statutory Limit Test

| | |
|---|----------|
| Violation Final Penalty Total | \$14,063 |
| This violation Final Assessed Penalty (adjusted for limits) \$14,063 | |

Economic Benefit Worksheet

Respondent Maple Energy Holdings, LLC
Case ID No. 62931
Reg. Ent. Reference No. RN110681939
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) | \$5,000 | 12-Jul-2022 | 13-Apr-2023 | 0.75 | \$188 | n/a | \$188 |

Notes for DELAYED costs

Estimated cost to implement measures to ensure that the water tanks are maintained in good condition and operated properly to minimize emissions at the Plant. The Date Required is the first date of non-compliance 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

\$5,000

TOTAL

\$188



Compliance History Report

Compliance History Report for CN605980721, RN110681939, Rating Year 2024 which includes Compliance History (CH) components from September 1, 2019, through August 31, 2024.

Customer, Respondent, or Owner/Operator: CN605980721, Maple Energy Holdings, LLC
Classification: SATISFACTORY **Rating:** 17.95

Regulated Entity: RN110681939, WAR ADMIRAL 24
Classification: SATISFACTORY **Rating:** 17.95

Complexity Points: 5
Repeat Violator: NO

CH Group: 09 - Construction

Location: Approximately 0.6 mile southeast of the Interstate 20 Service Road and County Road 209 intersection in Pecos, Reeves County, Texas

TCEQ Region: REGION 07 - MIDLAND

ID Number(s):
AIR NEW SOURCE PERMITS REGISTRATION 162349 **AIR NEW SOURCE PERMITS REGISTRATION 175994**
AIR NEW SOURCE PERMITS REGISTRATION 171221

Compliance History Period: September 01, 2019 to August 31, 2024 **Rating Year:** 2024 **Rating Date:** 09/01/2024

Date Compliance History Report Prepared: September 20, 2024

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: September 20, 2019 to September 20, 2024

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.
Name: Danielle Porras **Phone:** (512) 239-2923

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: 01/25/2022 ADMINORDER 2020-1485-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Major
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THSC Chapter 382 382.0518(a)
5C THSC Chapter 382 382.085(b)
Description: Failure to obtain authorization to emit air contaminants. Specifically, MDC did not obtain, or satisfy the conditions of, a permit prior to construction of the War Admiral 24 facility. This is an alleged violation of 30 TAC 116.110(a), 5C THSC 382.0518(a) and 5C THSC 382.085(b).
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.221(a)
5C THSC Chapter 382 382.085(b)
Description: Failure to maintain all emissions control equipment in good condition and operating properly during operation of the facility in accordance with 30 TAC 106.4(c) and 5C THSC 382.085(b). Specifically, failure to maintain proper and effective sealing on thief hatches to prevent a gas leak.

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:

Notice of Intent Date: 12/13/2023 (1950109)

Disclosure Date: 04/22/2024

Viol. Moderate

Classification:

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOOa 60.5397a

40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOO 60.5420(a)

Description: Failure to maintain LDAR records under NSPS OOOOa.

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
MAPLE ENERGY HOLDINGS, LLC
RN110681939

§ BEFORE THE
§ TEXAS COMMISSION ON
§ ENVIRONMENTAL QUALITY
§

AGREED ORDER DOCKET NO. 2022-1169-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 Maple Energy Holdings, 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 an oil and gas production plant located approximately 0.6 mile southeast of the Interstate 20 Service Road and County Road 209 intersection in Pecos, Reeves 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 \$23,437 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$18,750 of the penalty and \$4,687 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.

II. ALLEGATIONS

During an investigation at the Plant conducted on July 12, 2022, an investigator documented that the Respondent:

1. Failed to obtain authorization prior to constructing or modifying a source of air contaminants, in violation of 30 TEX. ADMIN. CODE §§ 106.6(b), 106.6(c), and 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b). Specifically, the Respondent flared unsaleable gas prior to obtaining the proper authorization.
2. Failed to maintain all facilities with the potential to emit air contaminants in good working order and operated properly, in violation of 30 TEX. ADMIN. CODE §§ 106.4(c) and 106.359(c)(1), Permit by Rule Registration No. 162349, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, TCEQ staff used an Optical Gas Imaging Camera on July 12, 2022 and observed volatile organic compounds emissions from two leaking pressure release valves on the produced water tanks.

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: Maple Energy Holdings, LLC, Docket No. 2022-1169-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 an administratively complete registration, in accordance with 30 TEX. ADMIN. CODE ch. 106, or permit application, in accordance with 30 TEX. ADMIN. CODE § 116.111, to authorize the flaring of unsaleable gas and the associated emissions at the Plant, to:

Air Permits Division, MC 163
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087
 - ii. Implement measures and/or procedures designed to ensure that the water tanks are maintained in good condition and operated properly to minimize emissions at the Plant.
 - b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application or registration by any deadline specified in writing.
 - c. Within 45 days after the effective date of this Order, submit written certification demonstrating compliance with Ordering Provision No. 2.a, as described in Ordering Provision No. 2.d.
 - d. Within 180 days after the effective date of this Order, submit written certification that either authorization for the flaring of unsaleable gas and the associated emissions at the Plant has been obtained or that operations have ceased until such time that appropriate authorization is obtained, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance. 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:

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

with a copy to:

Air Section Manager
Midland Regional Office
Texas Commission on Environmental Quality
10 Desta Drive, Suite 350E
Midland, Texas 79705

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. 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 Enforcement Division at the address listed above.
6. 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.
7. 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.

8. 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



2/10/2025

For the Executive Director

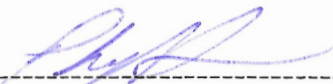
Date

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 OAG 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 OAG 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

11/19/24

Date

PHILIP HUDGENS

Name (Printed or typed)
Authorized Representative of
Maple Energy Holdings, LLC

COO

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.