

TCEQ Interoffice Memorandum

To: Mary Smith, General Counsel

Thru: *MBC* Melissa Cordell, Assistant Deputy Director
Enforcement Division

From: *MP* Michael Parrish, Team Leader
Special Functions Team

Date: August 7, 2024

Subject: **Backup Revision**
August 14, 2024 Commission Agenda
Item No. 15 – Diamondback E&P LLC
Docket No. 2023-0766-AIR-E

Enclosed please find the following:

Penalty Calculation Worksheet

- Page 31, Violation 15, Violation Description – Correct notification due time from 12:00 a.m. to **9:00** a.m.

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
Rebecca Margain-Nunez, Executive Assistant, Enforcement Division
Brett Lanham, Manager, Special Functions and Compliance Monitoring,
Enforcement Division
Michael De La Cruz, Manager, Air Section, Enforcement Division
Danielle Porras, Enforcement Coordinator, Air Section, Enforcement Division

Screening Date 12-May-2023 Respondent Diamondback E&P LLC Case ID No. 64160 Reg. Ent. Reference No. RN110971595 Media Air Enf. Coordinator Danielle Porras	Docket No. 2023-0766-AIR-E	PCW <i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i>				
Violation Number 15						
Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B) 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. 393177 was due by December 26, 2022 at 9:00 a.m., but was not submitted until January 4, 2023 at 12:12 p.m						
Base Penalty		\$25,000				
>> Environmental, Property and Human Health Matrix						
OR	Release	Harm				
	Major	Moderate	Minor			
	Actual				Percent	0.0%
	Potential					
>> Programmatic Matrix						
	Falsification	Major	Moderate	Minor	Percent	1.0%
				x		
Matrix Notes	Less than 30% of the rule requirements were not met.					
Adjustment					\$24,750	
					\$250	
Violation Events						
Number of Violation Events		1		9		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		25.0%		Reduction		\$62
		Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer			
	Extraordinary					
	Ordinary	x				
	N/A					
	Notes	The Respondent completed the corrective measures on January 4, 2023, prior to the NOE dated July 11, 2023.				
Violation Subtotal					\$188	
Economic Benefit (EB) for this violation				Statutory Limit Test		
Estimated EB Amount		\$0		Violation Final Penalty Total		\$188
This violation Final Assessed Penalty (adjusted for limits)					\$188	

Screening Date 12-May-2023 Respondent Diamondback E&P LLC Case ID No. 64160 Reg. Ent. Reference No. RN110971595 Media Air Enf. Coordinator Danielle Porras	Docket No. 2023-0766-AIR-E Base Penalty \$25,000	PCW <i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i>
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Violation Number	15	Rule Cite(s)	30 Tex. Admin. Code § 101.201(a)(1)(B) 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. 393177 was due by December 26, 2022 at 9:00 a.m., but was not submitted until January 4, 2023 at 12:12 p.m.		

Base Penalty

>> Environmental, Property and Human Health Matrix

OR		Harm					
	Release	Major	Moderate	Minor			
	Actual	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>			
	Potential	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>			
				Percent	<input style="width: 100px;" type="text" value="0.0%"/>		

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text" value="x"/>	
Percent <input style="width: 100px;" type="text" value="1.0%"/>					
Matrix Notes	<div style="border: 1px solid black; padding: 10px; min-height: 40px;"> Less than 30% of the rule requirements were not met. </div>				
Adjustment <input style="width: 100px;" type="text" value="\$24,750"/>					

Violation Events

Number of Violation Events	<input style="width: 50px;" type="text" value="1"/>	<input style="width: 50px;" type="text" value="9"/>	Number of violation days														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30px;">daily</td><td><input style="width: 50px;" type="text"/></td></tr> <tr><td>weekly</td><td><input style="width: 50px;" type="text"/></td></tr> <tr><td>monthly</td><td><input style="width: 50px;" type="text"/></td></tr> <tr><td>quarterly</td><td><input style="width: 50px;" type="text"/></td></tr> <tr><td>semiannual</td><td><input style="width: 50px;" type="text"/></td></tr> <tr><td>annual</td><td><input style="width: 50px;" type="text"/></td></tr> <tr><td>single event</td><td><input style="width: 50px;" type="text" value="x"/></td></tr> </table>			daily	<input style="width: 50px;" type="text"/>	weekly	<input style="width: 50px;" type="text"/>	monthly	<input style="width: 50px;" type="text"/>	quarterly	<input style="width: 50px;" type="text"/>	semiannual	<input style="width: 50px;" type="text"/>	annual	<input style="width: 50px;" type="text"/>	single event	<input style="width: 50px;" type="text" value="x"/>
daily	<input style="width: 50px;" type="text"/>																
weekly	<input style="width: 50px;" type="text"/>																
monthly	<input style="width: 50px;" type="text"/>																
quarterly	<input style="width: 50px;" type="text"/>																
semiannual	<input style="width: 50px;" type="text"/>																
annual	<input style="width: 50px;" type="text"/>																
single event	<input style="width: 50px;" type="text" value="x"/>																
Violation Base Penalty <input style="width: 100px;" type="text" value="\$250"/>																	
<div style="border: 1px solid black; padding: 10px; min-height: 40px; text-align: center;"> One single event is recommended. </div>																	

Good Faith Efforts to Comply

	25.0%	
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>
Ordinary	<input style="width: 50px;" type="text" value="x"/>	<input style="width: 50px;" type="text"/>
N/A	<input style="width: 50px;" type="text"/>	<input style="width: 50px;" type="text"/>
Notes	<div style="border: 1px solid black; padding: 5px;"> The Respondent completed the corrective measures on January 4, 2023, prior to the NOE dated July 11, 2023. </div>	
Violation Subtotal <input style="width: 100px;" type="text" value="\$188"/>		

Economic Benefit (EB) for this violation

Estimated EB Amount	<input style="width: 100px;" type="text" value="\$0"/>
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Statutory Limit Test

Violation Final Penalty Total	<input style="width: 100px;" type="text" value="\$188"/>
This violation Final Assessed Penalty (adjusted for limits)	
<input style="width: 100px;" type="text" value="\$188"/>	

Executive Summary – Enforcement Matter – Case No. 64160

Diamondback E&P LLC

RN110971595

Docket No. 2023-0766-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

UL 1125 CTB, located approximately 4.99 miles northwest of the intersection of Texas State Highway 176 and Texas State Highway 349, Tarzan, Andrews County

Type of Operation:

Oil and gas production facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: July 12, 2024

Comments Received: No

Penalty Information

Total Penalty Assessed: \$36,567

Amount Deferred for Expedited Settlement: \$7,313

Total Paid to General Revenue: \$14,627

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$14,627

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

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - High

Major Source: No

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: April 21, 2022 through April 18, 2023, February 21, 2023 through April 18, 2023, February 2, 2023 through April 12, 2023, and January 6, 2023 through March 14, 2023,

Date(s) of NOE(s): April 20, 2023, April 27, 2023, June 13, 2023, and July 11, 2023

Executive Summary – Enforcement Matter – Case No. 64160
Diamondback E&P LLC
RN110971595
Docket No. 2023-0766-AIR-E

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 3,210.00 pounds ("lbs") of carbon monoxide ("CO"), 1,610.00 lbs of nitrogen oxides ("NOx"), 34.60 lbs of sulfur oxide ("SO"), and 4,942.70 lbs of volatile organic compounds ("VOC") from the Control Flare, Emissions Point Number ("EPN") HP-8-20-F, during an emissions event (Incident No. 374725) that began on September 17, 2021 and lasted 24 hours [30 TEX. ADMIN. CODE § 106.6(b), Permit by Rule ("PBR") Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. 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. 374725 was due by September 18, 2021 at 9 a.m., but was not submitted until February 18, 2022 at 11:08 a.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].
3. 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. 374725 was due by October 2, 2021, but was not submitted until March 1, 2022 [30 TEX. ADMIN. CODE § 101.201(c) and TEX. HEALTH & SAFETY CODE § 382.085(b)].
4. Failed to prevent unauthorized emissions. Specifically, the Respondent released 9,250.00 lbs of CO, 4,630.00 lbs of NOx, 99.90 lbs of SO, and 14,256.50 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 374726) that began on November 5, 2021 and lasted 70 hours [30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
5. 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. 374726 was due by November 6, 2021 at 9 a.m., but was not submitted until February 18, 2022 at 11:09 a.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].
6. 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. 374726 was due by November 21, 2021, but was not submitted until March 1, 2022 [30 TEX. ADMIN. CODE § 101.201(c) and TEX. HEALTH & SAFETY CODE § 382.085(b)].
7. 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. 373185 was due by January 20, 2022 at 3:00 p.m., but was not submitted until January 24, 2022 at 8:59 a.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Executive Summary – Enforcement Matter – Case No. 64160
Diamondback E&P LLC
RN110971595
Docket No. 2023-0766-AIR-E

8. Failed to prevent unauthorized emissions. Specifically, the Respondent released 7,230.00 lbs of CO, 3,620.00 lbs of NO_x, 78.00 lbs of SO, and 8,928.50 lbs of VOC from the Sales Gas Flare, EPN HP-FL, during an emissions event (Incident No. 373185) that began on January 19, 2022 and lasted 26 hours [30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

9. 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. 380200 was due by May 25, 2022 at 5:00 p.m., but was not submitted until May 26, 2022 at 9:04 a.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

10. Failed to prevent unauthorized emissions. Specifically, the Respondent released 13,800.00 lbs of CO, 1.56 lbs of hydrogen sulfide ("H₂S"), 6,920.00 lbs of NO_x, 147.00 lbs of SO, and 7,112.70 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 380200) that began on May 24, 2022 and lasted 72 hours [30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

11. 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. 381700 was due by June 16, 2022 at 9:00 a.m., but was not submitted until June 20, 2022 at 9:36 a.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

12. Failed to prevent unauthorized emissions. Specifically, the Respondent released 8,360.00 lbs of CO, 0.96 lb of H₂S, 4,190.00 lbs of NO_x, 90.30 lbs of SO, and 6,984.00 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 381700) that began on June 15, 2022 and lasted 33 hours [30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

13. 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. 391253 was due by November 28, 2022 at 12 a.m., but was not submitted until November 30, 2022 at 2:46 p.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

14. Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,930.00 lbs of CO, 0.33 lb of H₂S, 1,470.00 lbs of NO_x, 31.10 lbs of SO, and 2,407.40 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 391253) that began on November 27, 2022 and lasted 24 hours [30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Executive Summary – Enforcement Matter – Case No. 64160
Diamondback E&P LLC
RN110971595
Docket No. 2023-0766-AIR-E

15. 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. 393177 was due by December 26, 2022 at 9:00 a.m., but was not submitted until January 4, 2023 at 12:12 p.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

16. Failed to prevent unauthorized emissions. Specifically, the Respondent released 8,058.00 lbs of CO, 0.91 lb of H₂S, 4,044.00 lbs of NO_x, 85.50 lbs of SO, and 2,864.30 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 393177) that began on December 25, 2022 and lasted 72 hours [30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. On January 24, 2022, submitted the initial notification for Incident No. 373185;
- b. On February 18, 2022, submitted the initial notifications for Incident Nos. 374725 and 374726;
- c. On March 1, 2022, submitted the final records for Incident Nos. 374725 and 374726;
- d. On May 26, 2022, submitted the initial notification for Incident No. 380200;
- e. On June 20, 2022, submitted the initial notification for Incident No. 381700;
- f. On November 30, 2022, submitted the initial notification for Incident No. 391253;
- g. On January 4, 2023, submitted the initial notification for Incident No. 393177; and
- h. On August 4, 2023, obtained Standard Permit Registration No. 173543 that included an Alternate Operating Scenario for flaring and increased the allowable emissions rates in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 374725, 374726, 373185, 380200, 381700, 391253, and 393177.

Technical Requirements:

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

Executive Summary – Enforcement Matter – Case No. 64160
Diamondback E&P LLC
RN110971595
Docket No. 2023-0766-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

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

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

Respondent: Wade Johnson, Superintendent Production, Diamondback E&P LLC, 500 West Texas Avenue, Suite 1200, Midland, Texas 79701

P. Matthew Zmigrowsky, Executive Vice President and Chief Legal Officer,
Diamondback E&P LLC, 500 West Texas Avenue, Suite 1200, Midland, Texas 79701

Respondent's Attorney: Ashley T.K. Phillips, Holland & Knight LLP, 100 Congress Avenue, Suite 1800, Austin, Texas 78701



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	2-May-2023			
	PCW	29-May-2024	Screening	12-May-2023	EPA Due

RESPONDENT/FACILITY INFORMATION					
Respondent	Diamondback E&P LLC				
Reg. Ent. Ref. No.	RN110971595				
Facility/Site Region	7-Midland	Major/Minor Source	Minor		

CASE INFORMATION					
Enf./Case ID No.	64160	No. of Violations	16		
Docket No.	2023-0766-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	\$41,000
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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

Since the reduction for one notice of intent to conduct an audit is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero.

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	-\$4,433
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$97
Estimated Cost of Compliance \$3,100

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$36,567
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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	\$36,567
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$36,567
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DEFERRAL	20.0%	Reduction	Adjustment	-\$7,313
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$29,254
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Screening Date

12-May-2023

Docket No.

2023-0766-AIR-E

PCW

Respondent

Diamondback E&P LLC

Case ID No.

64160

Reg. Ent. Reference No.

RN110971595

Media

Air

Enf. Coordinator

Danielle Porras

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

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>)	1	-1%
	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)

NoAdjustment Percentage (Subtotal 3)0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory PerformerAdjustment Percentage (Subtotal 7)0%

>> Compliance History Summary

Compliance History Notes

Since the reduction for one notice of intent to conduct an audit is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero.

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

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100%0%

Screening Date 12-May-2023		Docket No. 2023-0766-AIR-E		PCW	
Respondent Diamondback E&P LLC		<i>Policy Revision 5 (January 28, 2021)</i>			
Case ID No. 64160		<i>PCW Revision February 11, 2021</i>			
Reg. Ent. Reference No. RN110971595					
Media Air					
Enf. Coordinator Danielle Porras					
Violation Number 1					
Rule Cite(s)		30 Tex. Admin. Code § 106.6(b), Permit by Rule ("PBR") Registration No. 160176, and Tex. Health & Safety Code § 382.085(b)			
Violation Description		Failed to prevent unauthorized emissions. Specifically, the Respondent released 3,210.00 pounds ("lbs") of carbon monoxide ("CO"), 1,610.00 lbs of nitrogen oxides ("NOx"), 34.60 lbs of sulfur oxide ("SO"), and 4,942.70 lbs of volatile organic compounds ("VOC") from the Control Flare, Emissions Point Number ("EPN") HP-8-20-F, during an emissions event (Incident No. 374725) that began on September 17, 2021 and lasted 24 hours.			
		Base Penalty		\$25,000	
>> Environmental, Property and Human Health Matrix					
OR	Release		Harm		
	Major	Moderate	Minor		
	Actual			x	
	Potential				
		Percent		15.0%	
>>Programmatic Matrix					
		Falsification	Major	Moderate	Minor
		Percent		0.0%	
Matrix Notes		Human health or the environment has been exposed to insignificant amounts of pollutants that did not exceed levels that are protective of human health or environmental receptors as a result of the violation.			
		Adjustment		\$21,250	
				\$3,750	
Violation Events					
Number of Violation Events		1	1		Number of violation days
		daily			
		weekly			
		monthly	x		
		quarterly			
		semiannual			
		annual			
		single event			
		Violation Base Penalty \$3,750			
		One monthly event is recommended.			
Good Faith Efforts to Comply		10.0%		Reduction \$375	
		Before NOE/NOV		NOE/NOV to EDPRP/Settlement Offer	
Extraordinary					
Ordinary			x		
N/A					
Notes		The Respondent completed the corrective measures on August 4, 2023, after the Notice of Enforcement ("NOE") dated April 20, 2023.			
		Violation Subtotal		\$3,375	
Economic Benefit (EB) for this violation					
		Statutory Limit Test			
Estimated EB Amount		\$80		Violation Final Penalty Total \$3,375	
		This violation Final Assessed Penalty (adjusted for limits)		\$3,375	

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 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	\$850	17-Sep-2021	4-Aug-2023	1.88	\$80	n/a	\$80
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	Actual cost to obtain Standard Permit Registration No. 173543 that included an Alternate Operating Scenario for flaring and increased the allowable emissions rates in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 374725, 374726, 373185, 380200, 381700, 391253, and 393177. The Date Required is the date the first emissions event began 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	\$850	TOTAL	\$80
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Screening Date		12-May-2023		Docket No.		2023-0766-AIR-E		PCW			
Respondent		Diamondback E&P LLC									
Case ID No.		64160									
Reg. Ent. Reference No.		RN110971595									
Media		Air									
Enf. Coordinator		Danielle Porras									
Violation Number		2									
Rule Cite(s)		30 Tex. Admin. Code § 101.201(a)(1)(B) 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. 374725 was due by September 18, 2021 at 9:00 a.m., but was not submitted until February 18, 2022 at 11:08 a.m.									
Base Penalty								\$25,000			
>> Environmental, Property and Human Health Matrix											
OR		Release		Major		Moderate		Minor			
		Actual									
		Potential									
Percent								0.0%			
>> Programmatic Matrix											
Matrix Notes		Falsification		Major		Moderate		Minor			
								x			
		Less than 30% of the rule requirements were not met.									
Adjustment								\$24,750			
								\$250			
Violation Events											
Number of Violation Events				1		153		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				25.0%		Reduction		\$62			
		Before NOE/NOV		NOE/NOV to EDPRP/Settlement Offer							
		Extraordinary									
		Ordinary		x							
		N/A									
		Notes		The Respondent completed the corrective measures on February 18, 2022, prior to the NOE dated April 20, 2023.							
Violation Subtotal								\$188			
Economic Benefit (EB) for this violation											
Statutory Limit Test											
Estimated EB Amount				\$5		Violation Final Penalty Total				\$188	
This violation Final Assessed Penalty (adjusted for limits)								\$188			

Economic Benefit Worksheet

Respondent Diamondback E&P LLC
Case ID No. 64160
Reg. Ent. Reference No. RN110971595
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	18-Sep-2021	18-Feb-2022	0.42	\$5	n/a	\$5
Notes for DELAYED costs	Estimated cost to submit the initial notification for Incident No. 374725. 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	\$5
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Screening Date 12-May-2023		Docket No. 2023-0766-AIR-E		PCW	
Respondent Diamondback E&P LLC		<i>Policy Revision 5 (January 28, 2021)</i>			
Case ID No. 64160		<i>PCW Revision February 11, 2021</i>			
Reg. Ent. Reference No. RN110971595					
Media Air					
Enf. Coordinator Danielle Porras					
Violation Number 3					
Rule Cite(s)		30 Tex. Admin. Code § 101.201(c) 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. 374725 was due by October 2, 2021, but was not submitted until March 1, 2022.			
		Base Penalty		\$25,000	
>> Environmental, Property and Human Health Matrix					
OR	Release		Harm		
		Major	Moderate	Minor	
	Actual				
	Potential				Percent 0.0%
>> Programmatic Matrix					
	Falsification	Major	Moderate	Minor	
				x	Percent 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	150	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		25.0%		Reduction \$62	
	Extraordinary	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
	Ordinary	x			
	N/A				
	Notes	The Respondent completed the corrective measures on March 1, 2022, prior to the NOE dated April 20, 2023.			
Violation Subtotal					\$188
Economic Benefit (EB) for this violation			Statutory Limit Test		
Estimated EB Amount \$5			Violation Final Penalty Total \$188		
This violation Final Assessed Penalty (adjusted for limits)					\$188

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 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)	\$250	2-Oct-2021	1-Mar-2022	0.41	\$5	n/a	\$5
Notes for DELAYED costs	Estimated cost to submit the final record for Incident No. 374725. The Date Required is the date the final record 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	\$5
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Screening Date		12-May-2023		Docket No.		2023-0766-AIR-E		PCW	
Respondent		Diamondback E&P LLC							
Case ID No.		64160							
Reg. Ent. Reference No.		RN110971595							
Media		Air							
Enf. Coordinator		Danielle Porras							
Violation Number		4							
Rule Cite(s)		30 Tex. Admin. Code § 106.6(b), PBR Registration No. 160176, and Tex. Health & Safety Code § 382.085(b)							
Violation Description		Failed to prevent unauthorized emissions. Specifically, the Respondent released 9,250.00 lbs of CO, 4,630.00 lbs of NOx, 99.90 lbs of SO, and 14,256.50 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 374726) that began on November 5, 2021 and lasted 70 hours.							
Base Penalty								\$25,000	
>> Environmental, Property and Human Health Matrix									
OR		Release		Major		Moderate		Minor	
		Actual				x			
		Potential							
Percent								25.0%	
>>Programmatic Matrix									
Matrix Notes		Falsification		Major		Moderate		Minor	
Percent								0.0%	
		Human health or the environment has been exposed to significant amounts of pollutants that did not exceed levels that are protective of human health or environmental receptors as a result of the violation.							
Adjustment								\$18,750	
								\$6,250	
Violation Events									
Number of Violation Events		1		3		Number of violation days			
		daily							
		weekly		x					
		monthly							
		quarterly							
		semiannual							
		annual							
		single event							
Violation Base Penalty								\$6,250	
One weekly event is recommended.									
Good Faith Efforts to Comply		10.0%		Reduction		\$625			
		Before NOE/NOV		NOE/NOV to EDPRP/Settlement Offer					
		Extraordinary							
		Ordinary		x					
		N/A							
Notes		The Respondent completed the corrective measures on August 4, 2023, after the NOE dated April 27, 2023.							
Violation Subtotal								\$5,625	
Economic Benefit (EB) for this violation									
Statutory Limit Test									
Estimated EB Amount		\$0		Violation Final Penalty Total		\$5,625			
This violation Final Assessed Penalty (adjusted for limits)								\$5,625	

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	See the Economic Benefit in Violation No. 1.						

Avoided Costs ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							

Approx. Cost of Compliance	\$0	TOTAL	\$0
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Screening Date 12-May-2023 Respondent Diamondback E&P LLC Case ID No. 64160 Reg. Ent. Reference No. RN110971595 Media Air Enf. Coordinator Danielle Porras		Docket No. 2023-0766-AIR-E PCW																		
		<i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i>																		
Violation Number 5 Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B) 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. 374726 was due by November 6, 2021 at 12:00 a.m., but was not submitted until February 18, 2022 at 11:09 a.m.																				
		Base Penalty \$25,000																		
>> Environmental, Property and Human Health Matrix																				
OR	<table border="1"> <tr> <td></td> <th colspan="3">Harm</th> </tr> <tr> <td>Release</td> <td>Major</td> <td>Moderate</td> <td>Minor</td> </tr> <tr> <td>Actual</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Potential</td> <td></td> <td></td> <td></td> </tr> </table>				Harm			Release	Major	Moderate	Minor	Actual				Potential				Percent 0.0%
		Harm																		
	Release	Major	Moderate	Minor																
Actual																				
Potential																				
>> Programmatic Matrix																				
	<table border="1"> <tr> <td></td> <td>Falsification</td> <td>Major</td> <td>Moderate</td> <td>Minor</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>x</td> </tr> </table>				Falsification	Major	Moderate	Minor					x	Percent 1.0%						
	Falsification	Major	Moderate	Minor																
				x																
Matrix Notes	Less than 30% of the rule requirements were not met.																			
Adjustment \$24,750																				
\$250																				
Violation Events																				
Number of Violation Events 1		104 Number of violation days																		
	<table border="1"> <tr><td>daily</td><td></td></tr> <tr><td>weekly</td><td></td></tr> <tr><td>monthly</td><td></td></tr> <tr><td>quarterly</td><td></td></tr> <tr><td>semiannual</td><td></td></tr> <tr><td>annual</td><td></td></tr> <tr><td>single event</td><td>x</td></tr> </table>	daily		weekly		monthly		quarterly		semiannual		annual		single event	x	Violation Base Penalty \$250				
daily																				
weekly																				
monthly																				
quarterly																				
semiannual																				
annual																				
single event	x																			
One single event is recommended.																				
Good Faith Efforts to Comply 25.0%		Reduction \$62																		
Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer																				
Extraordinary																				
Ordinary	x																			
N/A																				
Notes	The Respondent completed the corrective measures on February 18, 2022, prior to the NOE dated April 27, 2023.																			
		Violation Subtotal \$188																		
Economic Benefit (EB) for this violation		Statutory Limit Test																		
Estimated EB Amount \$4		Violation Final Penalty Total \$188																		
		This violation Final Assessed Penalty (adjusted for limits) \$188																		

Economic Benefit Worksheet

Respondent Diamondback E&P LLC
Case ID No. 64160
Reg. Ent. Reference No. RN110971595
Media Air
Violation No. 5

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	6-Nov-2021	18-Feb-2022	0.28	\$4	n/a	\$4
Notes for DELAYED costs	Estimated cost to submit the initial notification for Incident No. 374726. 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	\$4
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Screening Date 12-May-2023		Docket No. 2023-0766-AIR-E		PCW	
Respondent Diamondback E&P LLC		<i>Policy Revision 5 (January 28, 2021)</i>			
Case ID No. 64160		<i>PCW Revision February 11, 2021</i>			
Reg. Ent. Reference No. RN110971595					
Media Air					
Enf. Coordinator Danielle Porras					
Violation Number		6			
Rule Cite(s)		30 Tex. Admin. Code § 101.201(c) 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. 374726 was due by November 21, 2021, but was not submitted until March 1, 2022.			
		Base Penalty		\$25,000	
>> Environmental, Property and Human Health Matrix					
OR	Release		Harm		
	Major	Moderate	Minor		
	Actual				
	Potential			Percent 0.0%	
>>Programmatic Matrix					
	Falsification	Major	Moderate	Minor	
				x	Percent 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		100 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		25.0%		Reduction \$62	
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer			
	Extraordinary				
	Ordinary	x			
	N/A				
Notes		The Respondent completed the corrective measures on March 1, 2022, prior to the NOE dated April 27, 2023.			
		Violation Subtotal		\$188	
Economic Benefit (EB) for this violation			Statutory Limit Test		
Estimated EB Amount		\$3		Violation Final Penalty Total \$188	
		This violation Final Assessed Penalty (adjusted for limits)		\$188	

Economic Benefit Worksheet

Respondent Diamondback E&P LLC
Case ID No. 64160
Reg. Ent. Reference No. RN110971595
Media Air
Violation No. 6

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	21-Nov-2021	1-Mar-2022	0.27	\$3	n/a	\$3
Notes for DELAYED costs	Estimated cost to submit the final record for Incident No. 374726. The Date Required is the date the final record 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	\$3
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Screening Date 12-May-2023		Docket No. 2023-0766-AIR-E		PCW	
Respondent Diamondback E&P LLC		<i>Policy Revision 5 (January 28, 2021)</i>			
Case ID No. 64160		<i>PCW Revision February 11, 2021</i>			
Reg. Ent. Reference No. RN110971595					
Media Air					
Enf. Coordinator Danielle Porras					
Violation Number		<input type="text" value="7"/>			
Rule Cite(s)		<div>30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health & Safety Code § 382.085(b)</div>			
Violation Description		<div>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. 373185 was due by January 20, 2022 at 3:00 p.m., but was not submitted until January 24, 2022 at 8:59 a.m.</div>			
		Base Penalty		<input type="text" value="\$25,000"/>	
>> Environmental, Property and Human Health Matrix					
OR	Release		Harm		
	Major	Moderate	Minor		
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="0.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>		
>>Programmatic Matrix					
	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="x"/>	Percent <input type="text" value="1.0%"/>
Matrix Notes	<div>Less than 30% of the rule requirements were not met.</div>				
Adjustment					<input type="text" value="\$24,750"/>
					<input type="text" value="\$250"/>
>> Violation Events					
Number of Violation Events		<input type="text" value="1"/>	<input type="text" value="4"/>	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 type="text" value="x"/>		Violation Base Penalty <input type="text" value="\$250"/>	
<div>One single event is recommended.</div>					
Good Faith Efforts to Comply		<input type="text" value="25.0%"/>		Reduction <input type="text" value="\$62"/>	
		Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
	Extraordinary	<input type="text"/>	<input type="text"/>		
	Ordinary	<input type="text" value="x"/>	<input type="text"/>		
	N/A	<input type="text"/>	<input type="text"/>		
	Notes	<div>The Respondent completed the corrective measures on January 24, 2022, prior to the NOE dated June 13, 2023.</div>			
Violation Subtotal					<input type="text" value="\$188"/>
>> Economic Benefit (EB) for this violation					
>> Statutory Limit Test					
Estimated EB Amount		<input type="text" value="\$0"/>		Violation Final Penalty Total <input type="text" value="\$188"/>	
This violation Final Assessed Penalty (adjusted for limits)					<input type="text" value="\$188"/>

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 7

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	20-Jan-2022	24-Jan-2022	0.01	\$0	n/a	\$0
Notes for DELAYED costs	Estimated cost to submit the initial notification for Incident No. 373185. 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
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Screening Date 12-May-2023		Docket No. 2023-0766-AIR-E		PCW	
Respondent Diamondback E&P LLC		<i>Policy Revision 5 (January 28, 2021)</i>			
Case ID No. 64160		<i>PCW Revision February 11, 2021</i>			
Reg. Ent. Reference No. RN110971595					
Media Air					
Enf. Coordinator Danielle Porras					
Violation Number		8			
Rule Cite(s)		30 Tex. Admin. Code § 106.6(b), PBR Registration No. 160176, and Tex. Health & Safety Code § 382.085(b)			
Violation Description		Failed to prevent unauthorized emissions. Specifically, the Respondent released 7,230.00 lbs of CO, 3,620.00 lbs of NOx, 78.00 lbs of SO, and 8,928.50 lbs of VOC from the Sales Gas Flare, EPN HP-FL, during an emissions event (Incident No. 373185) that began on January 19, 2022 and lasted 26 hours.			
		Base Penalty		\$25,000	
>> Environmental, Property and Human Health Matrix					
OR	Release		Harm		
	Major	Moderate	Minor		
	Actual	x			
	Potential				Percent 25.0%
>>Programmatic Matrix					
	Falsification	Major	Moderate	Minor	
					Percent 0.0%
Matrix Notes	Human health or the environment has been exposed to significant amounts of pollutants that did not exceed levels that are protective of human health or environmental receptors as a result of the violation.				
		Adjustment		\$18,750	
				\$6,250	
>> Violation Events					
Number of Violation Events		1	2		Number of violation days
	daily				
	weekly	x			
	monthly				
	quarterly				
	semiannual				
	annual				
	single event				
		Violation Base Penalty \$6,250			
		One weekly event is recommended.			
Good Faith Efforts to Comply		10.0%		Reduction \$625	
	Extraordinary		Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer		
	Ordinary		x		
	N/A				
Notes	The Respondent completed corrective actions on August 4, 2023, after the NOE dated June 13, 2023.				
		Violation Subtotal		\$5,625	
Economic Benefit (EB) for this violation			Statutory Limit Test		
Estimated EB Amount		\$0		Violation Final Penalty Total \$5,625	
		This violation Final Assessed Penalty (adjusted for limits)		\$5,625	

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 8

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	See the Economic Benefit in Violation No. 1.						

Avoided Costs ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							

Approx. Cost of Compliance	\$0	TOTAL	\$0
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Screening Date 12-May-2023		Docket No. 2023-0766-AIR-E		PCW	
Respondent Diamondback E&P LLC		<i>Policy Revision 5 (January 28, 2021)</i>			
Case ID No. 64160		<i>PCW Revision February 11, 2021</i>			
Reg. Ent. Reference No. RN110971595					
Media Air					
Enf. Coordinator Danielle Porras					
Violation Number		<input type="text" value="9"/>			
Rule Cite(s)		<div>30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health & Safety Code § 382.085(b)</div>			
Violation Description		<div>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. 380200 was due by May 25, 2022 at 5:00 p.m., but was not submitted until May 26, 2022 at 9:04 a.m.</div>			
				Base Penalty	<input type="text" value="\$25,000"/>
>> Environmental, Property and Human Health Matrix					
OR	Release		Harm		
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="0.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>		
>>Programmatic Matrix					
	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="x"/>	Percent <input type="text" value="1.0%"/>
Matrix Notes	<div>Less than 30% of the rule requirement was not met.</div>				
Adjustment					<input type="text" value="\$24,750"/>
					<input type="text" value="\$250"/>
Violation Events					
Number of Violation Events		<input type="text" value="1"/>	<input type="text" value="1"/> Number of violation days		
	daily	<input type="text"/>	Violation Base Penalty <input type="text" value="\$250"/>		
	weekly	<input type="text"/>			
	monthly	<input type="text"/>			
	quarterly	<input type="text"/>			
	semiannual	<input type="text"/>			
	annual	<input type="text"/>			
	single event	<input type="text" value="x"/>			
<div>One single event is recommended.</div>					
Good Faith Efforts to Comply		<input type="text" value="25.0%"/>	Reduction <input type="text" value="\$62"/>		
	Before NOE/NOV		NOE/NOV to EDPRP/Settlement Offer		
	Extraordinary	<input type="text"/>	<input type="text"/>		
	Ordinary	<input type="text" value="x"/>	<input type="text"/>		
	N/A	<input type="text"/>	<input type="text"/>		
	Notes	<div>The Respondent completed the corrective measures on May 26, 2022, prior to the NOE dated June 13, 2023.</div>			
Violation Subtotal					<input type="text" value="\$188"/>
Economic Benefit (EB) for this violation			Statutory Limit Test		
Estimated EB Amount		<input type="text" value="\$0"/>	Violation Final Penalty Total		<input type="text" value="\$188"/>
This violation Final Assessed Penalty (adjusted for limits)					<input type="text" value="\$188"/>

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 9

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	25-May-2022	26-May-2022	0.00	\$0	n/a	\$0
Notes for DELAYED costs	Estimated cost to submit the initial notification for Incident No. 380200. 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
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Screening Date		12-May-2023		Docket No.		2023-0766-AIR-E		PCW	
Respondent		Diamondback E&P LLC							
Case ID No.		64160							
Reg. Ent. Reference No.		RN110971595							
Media		Air							
Enf. Coordinator		Danielle Porras							
Violation Number		10							
Rule Cite(s)		30 Tex. Admin. Code § 106.6(b), PBR Registration No. 160176, and Tex. Health & Safety Code § 382.085(b)							
Violation Description		Failed to prevent unauthorized emissions. Specifically, the Respondent released 13,800.00 lbs of CO, 1.56 lbs of hydrogen sulfide ("H2S"), 6,920.00 lbs of NOx, 147.00 lbs of SO, and 7,112.70 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 380200) that began on May 24, 2022 and lasted 72 hours.							
Base Penalty								\$25,000	
>> Environmental, Property and Human Health Matrix									
OR		Release		Major		Harm		Minor	
		Actual				Moderate		x	
		Potential							
Percent								25.0%	
>>Programmatic Matrix									
Matrix Notes		Falsification		Major		Moderate		Minor	
Percent								0.0%	
Matrix Notes		Human health or the environment has been exposed to significant amounts of pollutants that did not exceed levels that are protective of human health or environmental receptors as a result of the violation.							
Adjustment								\$18,750	
								\$6,250	
Violation Events									
Number of Violation Events		1		3		Number of violation days			
		daily				Violation Base Penalty			
		weekly		x					
		monthly							
		quarterly							
		semiannual							
		annual							
		single event							
One weekly event is recommended.									
Good Faith Efforts to Comply				10.0%		Reduction		\$625	
		Before NOE/NOV		NOE/NOV to EDPRP/Settlement Offer					
Extraordinary									
Ordinary				x					
N/A									
Notes		The Respondent completed corrective actions on August 4, 2023, after the NOE dated June 13, 2023.							
Violation Subtotal								\$5,625	
Economic Benefit (EB) for this violation									
Statutory Limit Test									
Estimated EB Amount		\$0		Violation Final Penalty Total		\$5,625			
This violation Final Assessed Penalty (adjusted for limits)								\$5,625	

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 10

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	See the Economic Benefit in Violation No. 1.						

Avoided Costs ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							

Approx. Cost of Compliance	\$0	TOTAL	\$0
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Screening Date	12-May-2023	Docket No.	2023-0766-AIR-E	PCW
Respondent	Diamondback E&P LLC			<i>Policy Revision 5 (January 28, 2021)</i>
Case ID No.	64160			<i>PCW Revision February 11, 2021</i>
Reg. Ent. Reference No.	RN110971595			
Media	Air			
Enf. Coordinator	Danielle Porras			
Violation Number	11			
Rule Cite(s)	30 Tex. Admin. Code § 101.201(a)(1)(B) 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. 381700 was due by June 16, 2022 at 9:00 a.m., but was not submitted until June 20, 2022 at 9:36 a.m.			
		Base Penalty	\$25,000	

>> Environmental, Property and Human Health Matrix

OR

	Release	Harm			
		Major	Moderate	Minor	
	Actual				Percent 0.0%
	Potential				

>>Programmatic Matrix

	Falsification	Major	Moderate	Minor	
				x	Percent 1.0%

Matrix Notes

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

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events

1

4

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

25.0%

Reduction

\$62

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

Notes

The Respondent completed the corrective measures on June 20, 2022, prior to the NOE dated June 13, 2023.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 11

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	16-Jun-2022	20-Jun-2022	0.01	\$0	n/a	\$0
Notes for DELAYED costs	Estimated cost to submit the initial notification for Incident No. 381700. 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
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Screening Date 12-May-2023		Docket No. 2023-0766-AIR-E		PCW	
Respondent Diamondback E&P LLC		<i>Policy Revision 5 (January 28, 2021)</i>			
Case ID No. 64160		<i>PCW Revision February 11, 2021</i>			
Reg. Ent. Reference No. RN110971595					
Media Air					
Enf. Coordinator Danielle Porras					
Violation Number 12					
Rule Cite(s)		30 Tex. Admin. Code § 106.6(b), PBR Registration No. 160176, and Tex. Health & Safety Code § 382.085(b)			
Violation Description		Failed to prevent unauthorized emissions. Specifically, the Respondent released 8,360.00 lbs of CO, 0.96 lb of H2S, 4,190.00 lbs of NOx, 90.30 lbs of SO, and 6,984.00 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 381700) that began on June 15, 2022 and lasted 33 hours.			
		Base Penalty		\$25,000	
>> Environmental, Property and Human Health Matrix					
OR	Release		Harm		
	Major	Moderate	Minor		
	Actual	x			
	Potential				Percent 25.0%
>> Programmatic Matrix					
	Falsification	Major	Moderate	Minor	
					Percent 0.0%
Matrix Notes	Human health or the environment has been exposed to significant amounts of pollutants that did not exceed levels that are protective of human health or environmental receptors as a result of the violation.				
				Adjustment	\$18,750
					\$6,250
>> Violation Events					
Number of Violation Events		1	2	Number of violation days	
	daily				
	weekly	x			
	monthly				
	quarterly				
	semiannual				
	annual				
	single event				
		Violation Base Penalty \$6,250			
One weekly event is recommended.					
Good Faith Efforts to Comply		10.0%		Reduction \$625	
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer			
	Extraordinary				
	Ordinary	x			
	N/A				
Notes	The Respondent completed corrective actions on August 4, 2023, after the NOE dated June 13, 2023.				
				Violation Subtotal	\$5,625
Economic Benefit (EB) for this violation			Statutory Limit Test		
Estimated EB Amount		\$0		Violation Final Penalty Total	\$5,625
This violation Final Assessed Penalty (adjusted for limits)				\$5,625	

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 12

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	See the Economic Benefit in Violation No. 1.						

Avoided Costs ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							

Approx. Cost of Compliance	\$0	TOTAL	\$0
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Screening Date		12-May-2023		Docket No.		2023-0766-AIR-E		PCW	
Respondent		Diamondback E&P LLC							
Case ID No.		64160							
Reg. Ent. Reference No.		RN110971595							
Media		Air							
Enf. Coordinator		Danielle Porras							
Violation Number		13							
Rule Cite(s)		30 Tex. Admin. Code § 101.201(a)(1)(B) 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. 391253 was due by November 28, 2022 at 12:00 a.m., but was not submitted until November 30, 2022 at 2:46 p.m.							
Base Penalty								\$25,000	
>> Environmental, Property and Human Health Matrix									
OR	Release		Major		Moderate		Minor		
	Actual								Percent
	Potential								0.0%
>>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		2		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		25.0%		Reduction		\$62			
Extraordinary				Before NOE/NOV		NOE/NOV to EDPRP/Settlement Offer			
Ordinary		x							
N/A									
Notes		The Respondent completed the corrective measures on November 30, 2022, prior to the NOE dated June 13, 2023.							
Violation Subtotal								\$188	
Economic Benefit (EB) for this violation					Statutory Limit Test				
Estimated EB Amount		\$0		Violation Final Penalty Total		\$188			
This violation Final Assessed Penalty (adjusted for limits)								\$188	

Economic Benefit Worksheet

Respondent Diamondback E&P LLC
Case ID No. 64160
Reg. Ent. Reference No. RN110971595
Media Air
Violation No. 13

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	28-Nov-2022	30-Nov-2022	0.01	\$0	n/a	\$0
Notes for DELAYED costs	Estimated cost to submit the initial notification for Incident No. 391253. 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
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Screening Date	12-May-2023	Docket No.	2023-0766-AIR-E	PCW
Respondent	Diamondback E&P LLC	<i>Policy Revision 5 (January 28, 2021)</i>		
Case ID No.	64160	<i>PCW Revision February 11, 2021</i>		
Reg. Ent. Reference No.	RN110971595			
Media	Air			
Enf. Coordinator	Danielle Porras			
Violation Number	14			
Rule Cite(s)	30 Tex. Admin. Code § 106.6(b), PBR Registration No. 160176, and Tex. Health & Safety Code § 382.085(b)			
Violation Description	Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,930.00 lbs of CO, 0.33 lb of H2S, 1,470.00 lbs of NOx, 31.10 lbs of SO, and 2,407.40 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 391253) that began on November 27, 2022 and lasted 24 hours.			
Base Penalty				\$25,000
>> Environmental, Property and Human Health Matrix				
OR	Release	Harm		
		Major	Moderate	Minor
	Actual			x
	Potential			
				Percent 15.0%
>>Programmatic Matrix				
	Falsification	Major	Moderate	Minor
				Percent 0.0%
Matrix Notes	Human health or the environment has been exposed to insignificant amounts of pollutants that did 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	Number of violation days	
	daily			
	weekly			
	monthly	x		
	quarterly			
	semiannual			
	annual			
	single event			
				Violation Base Penalty \$3,750
One monthly event is recommended.				
Good Faith Efforts to Comply		10.0%	Reduction \$375	
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
Extraordinary				
Ordinary		x		
N/A				
Notes	The Respondent completed the corrective measures on August 4, 2023, after the NOE dated June 13, 2023.			
Violation Subtotal				\$3,375
Economic Benefit (EB) for this violation		Statutory Limit Test		
Estimated EB Amount	\$0	Violation Final Penalty Total		\$3,375
This violation Final Assessed Penalty (adjusted for limits)				\$3,375

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 14

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	See the Economic Benefit in Violation No. 1.						

Avoided Costs ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							

Approx. Cost of Compliance	\$0	TOTAL	\$0
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Screening Date	12-May-2023	Docket No.	2023-0766-AIR-E	PCW
Respondent	Diamondback E&P LLC			
Case ID No.	64160	Policy Revision 5 (January 28, 2021)		
Reg. Ent. Reference No.	RN110971595	PCW Revision February 11, 2021		
Media	Air			
Enf. Coordinator	Danielle Porras			
Violation Number	15			
Rule Cite(s)	30 Tex. Admin. Code § 101.201(a)(1)(B) 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. 393177 was due by December 26, 2022 at 12:00 a.m., but was not submitted until January 4, 2023 at 12:12 p.m.			
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 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	9	Number of violation days
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daily		Violation Base Penalty \$250
weekly		
monthly		
quarterly		
semiannual		
annual		
single event	x	

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction

\$62

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

Notes

The Respondent completed the corrective measures on January 4, 2023, prior to the NOE dated July 11, 2023.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount	\$0	Violation Final Penalty Total	\$188
This violation Final Assessed Penalty (adjusted for limits)		\$188	

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 15

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	26-Dec-2022	4-Jan-2023	0.02	\$0	n/a	\$0
Notes for DELAYED costs	Estimated cost to submit the initial notification for Incident No. 393177. 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
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Screening Date 12-May-2023		Docket No. 2023-0766-AIR-E		PCW	
Respondent Diamondback E&P LLC		<i>Policy Revision 5 (January 28, 2021)</i>			
Case ID No. 64160		<i>PCW Revision February 11, 2021</i>			
Reg. Ent. Reference No. RN110971595					
Media Air					
Enf. Coordinator Danielle Porras					
Violation Number 16					
Rule Cite(s)		30 Tex. Admin. Code § 106.6(b), PBR Registration No. 160176, and Tex. Health & Safety Code § 382.085(b)			
Violation Description		Failed to prevent unauthorized emissions. Specifically, the Respondent released 8,058.00 lbs of CO, 0.91 lb of H2S, 4,044.00 lbs of NOx, 85.50 lbs of SO, and 2,864.30 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 393177) that began on December 25, 2022 and lasted 72 hours.			
		Base Penalty		\$25,000	
>> Environmental, Property and Human Health Matrix					
OR	Release		Harm		
		Major	Moderate	Minor	
	Actual		x		Percent 25.0%
Potential					
>>Programmatic Matrix					
	Falsification		Major	Moderate	Minor
					Percent 0.0%
Matrix Notes		Human health or the environment has been exposed to significant amounts of pollutants that did not exceed levels that are protective of human health or environmental receptors as a result of the violation.			
		Adjustment		\$18,750	
				\$6,250	
Violation Events					
Number of Violation Events		1		3 Number of violation days	
		daily			
		weekly	x		
		monthly			
		quarterly			
		semiannual			
		annual			
		single event			
		Violation Base Penalty \$6,250			
		One weekly event is recommended.			
Good Faith Efforts to Comply		10.0%		Reduction \$625	
		Before NOE/NOV		NOE/NOV to EDPRP/Settlement Offer	
Extraordinary					
Ordinary				x	
N/A					
Notes		The Respondent completed the corrective measures on August 4, 2023, after the NOE dated July 11, 2023.			
		Violation Subtotal		\$5,625	
Economic Benefit (EB) for this violation					
		Statutory Limit Test			
Estimated EB Amount		\$0		Violation Final Penalty Total \$5,625	
		This violation Final Assessed Penalty (adjusted for limits)		\$5,625	

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Diamondback E&P LLC 64160 RN110971595 Air 16

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	See the Economic Benefit in Violation No. 1.						

Avoided Costs ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							

Approx. Cost of Compliance	\$0	TOTAL	\$0
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Compliance History Report

Compliance History Report for CN604396721, RN110971595, Rating Year 2023 which includes Compliance History (CH) components from September 1, 2018, through August 31, 2023.

Customer, Respondent, or Owner/Operator: CN604396721, Diamondback E&P LLC **Classification:** SATISFACTORY **Rating:** 1.36

Regulated Entity: RN110971595, UL 1125 CTB **Classification:** HIGH **Rating:** 0.00

Complexity Points: 2 **Repeat Violator:** NO

CH Group: 03 - Oil and Gas Extraction

Location: Approximately 4.99 miles northwest of the intersection of Texas State Highway 176 and Texas State Highway 349, Tarzan, Andrews County, Texas

TCEQ Region: REGION 07 - MIDLAND

ID Number(s):
AIR NEW SOURCE PERMITS REGISTRATION 173543

Compliance History Period: September 01, 2018 to August 31, 2023 **Rating Year:** 2023 **Rating Date:** 09/01/2023

Date Compliance History Report Prepared: February 06, 2024

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: February 06, 2019 to February 06, 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? NO
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? YES
- 3) Who is the current owner/operator? Diamondback E&P LLC OWNER OPERATOR since 3/17/2021
- 4) Who was/were the prior owner(s)/operator(s)? QEP Energy Company, OWNER OPERATOR, 2/19/2020 to 3/16/2021

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.):

Item 1	February 28, 2023	(1880668)
Item 2	March 03, 2023	(1810924)
Item 3	August 30, 2023	(1924276)

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: 10/11/2023 (1937272)

No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

Component Appendices

Appendix A

All NOV's Issued During Component Period 2/6/2019 and 2/6/2024

1	Date: 03/14/2022 (1781378)	
	Self Report? NO	Classification: Moderate
	Citation:	
	30 TAC Chapter 101, SubChapter F 101.201(a)(1)	
	Description:	30 Texas Administrative Code (30 TAC) Rule 101.201 (a)(1) states that as soon as practicable, but not later than 24 hours after the discovery of an emissions event, the owner or operator of a regulated entity shall notify the commission office for the region in which the regulated entity is located, and all appropriate local air pollution control agencies with jurisdiction, if the emissions event is reportable.
	Self Report? NO	Classification: Moderate
	Citation:	
	5C THSC Chapter 382 382.085(b)	
	Description:	Failure to prevent unauthorized emissions. Specifically, the RE released 5,470 pounds of Carbon Monoxide, 2,740 pounds of Oxides of Nitrogen, 8,350 pounds of VOCs, 6.6 pounds of Benzene, and 2.46 pounds of Sulfur Oxide from the Sales Gas Flare on November 20 through November 21, 2021 lasting 24 hours, in violation of Texas Health & Safety Code § 382.085(b), as documented during an investigation conducted on December 15, 2021.

* NOV's applicable for the Compliance History rating period 9/1/2018 to 8/31/2023

Appendix B

All Investigations Conducted During Component Period February 06, 2019 and February 06, 2024

Item 1	February 28, 2022**	(1781378)
Item 2*	February 28, 2023**	(1880668)
Item 3*	March 03, 2023**	(1810924)
Item 4	April 20, 2023**	(1880128)
Item 5	April 27, 2023**	(1880260)
Item 6	June 13, 2023**	(1845795)
Item 7	July 11, 2023**	(1869245)
Item 8*	August 30, 2023**	(1924276)

* No violations documented during this investigation

**Investigation applicable for the Compliance History Rating period between 09/01/2018 and 08/31/2023.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
DIAMONDBACK E&P LLC
RN110971595

§ BEFORE THE
§ TEXAS COMMISSION ON
§ ENVIRONMENTAL QUALITY
§

AGREED ORDER DOCKET NO. 2023-0766-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 Diamondback E&P 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, represented by Ashley T.K. Phillips of the law firm of Holland & Knight LLP, together stipulate that:

1. The Respondent owns and operates an oil and gas production facility located approximately 4.99 miles northwest of the intersection of Texas State Highway 176 and Texas State Highway 349 in Tarzan, Andrews 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 \$36,567 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$14,627 of the penalty and \$7,313 of the penalty is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$14,627 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally

offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

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 implemented the following corrective measures at the Plant:
 - a. On January 24, 2022, submitted the initial notification for Incident No. 373185;
 - b. On February 18, 2022, submitted the initial notifications for Incident Nos. 374725 and 374726;
 - c. On March 1, 2022, submitted the final records for Incident Nos. 374725 and 374726;
 - d. On May 26, 2022, submitted the initial notification for Incident No. 380200;
 - e. On June 20, 2022, submitted the initial notification for Incident No. 381700;
 - f. On November 30, 2022, submitted the initial notification for Incident No. 391253;
 - g. On January 4, 2023, submitted the initial notification for Incident No. 393177; and
 - h. On August 4, 2023, obtained Standard Permit Registration No. 173543 that included an Alternate Operating Scenario for flaring and increased the allowable emissions rates in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 374725, 374726, 373185, 380200, 381700, 391253, and 393177.

II. ALLEGATIONS

1. During a record review for the Plant conducted from April 21, 2022 through April 18, 2023, an investigator documented that the Respondent:
 - a. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 106.6(b), Permit by Rule ("PBR") Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 3,210.00 pounds ("lbs") of carbon monoxide ("CO"), 1,610.00 lbs of nitrogen oxides ("NOx"), 34.60 lbs of sulfur oxide ("SO"), and 4,942.70 lbs of volatile organic compounds ("VOC") from the Control Flare, Emissions Point Number ("EPN") HP-8-20-F, during an emissions event (Incident No. 374725) that began on September 17, 2021 and lasted 24 hours.
 - b. 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 TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 374725 was due by September 18, 2021 at 9 a.m., but was not submitted until February 18, 2022 at 11:08 a.m.
 - c. 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 TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the final record for Incident No. 374725 was due by October 2, 2021, but was not submitted until March 1, 2022.
2. During a record review for the Plant conducted from February 21, 2023 through April 18, 2023, an investigator documented that the Respondent:
 - a. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 9,250.00 lbs of CO, 4,630.00 lbs of NOx, 99.90 lbs of SO, and 14,256.50 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 374726) that began on November 5, 2021 and lasted 70 hours.
 - b. 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 TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 374726 was due by November 6, 2021 at 9 a.m., but was not submitted until February 18, 2022 at 11:09 a.m.
 - c. 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 TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the final record for Incident No. 374726 was due by November 21, 2021, but was not submitted until March 1, 2022.
3. During a record review for the Plant conducted from February 2, 2023 through April 12, 2023, 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 TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 373185 was due by January 20, 2022 at 3:00 p.m., but was not submitted until January 24, 2022 at 8:59 a.m.
- b. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 7,230.00 lbs of CO, 3,620.00 lbs of NOx, 78.00 lbs of SO, and 8,928.50 lbs of VOC from the Sales Gas Flare, EPN HP-FL, during an emissions event (Incident No. 373185) that began on January 19, 2022 and lasted 26 hours.
- c. 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 TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 380200 was due by May 25, 2022 at 5:00 p.m., but was not submitted until May 26, 2022 at 9:04 a.m.
- d. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 13,800.00 lbs of CO, 1.56 lbs of hydrogen sulfide ("H₂S"), 6,920.00 lbs of NOx, 147.00 lbs of SO, and 7,112.70 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 380200) that began on May 24, 2022 and lasted 72 hours.
- e. 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 TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 381700 was due by June 16, 2022 at 9:00 a.m., but was not submitted until June 20, 2022 at 9:36 a.m.
- f. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 8,360.00 lbs of CO, 0.96 lb of H₂S, 4,190.00 lbs of NOx, 90.30 lbs of SO, and 6,984.00 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 381700) that began on June 15, 2022 and lasted 33 hours.
- g. 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 TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 391253 was due by November 28, 2022 at 12 a.m., but was not submitted until November 30, 2022 at 2:46 p.m.
- h. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 2,930.00 lbs of CO, 0.33 lb of H₂S, 1,470.00 lbs of NOx, 31.10 lbs of SO, and 2,407.40 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 391253) that began on November 27, 2022 and lasted 24 hours.

4. During a record review for the Plant conducted from January 6, 2023 through March 14, 2023, 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 TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 393177 was due by December 26, 2022 at 9:00 a.m., but was not submitted until January 4, 2023 at 12:12 p.m.
 - b. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 106.6(b), PBR Registration No. 160176, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 8,058.00 lbs of CO, 0.91 lb of H₂S, 4,044.00 lbs of NO_x, 85.50 lbs of SO, and 2,864.30 lbs of VOC from the Control Flare, EPN HP-8-20-F, during an emissions event (Incident No. 393177) that began on December 25, 2022 and lasted 72 hours.

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: Diamondback E&P LLC, Docket No. 2023-0766-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The Respondent shall implement and complete the SEP as set forth in Section I, Paragraph No. 4. The amount of \$14,627 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. All relief not expressly granted in this Order is denied.
4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.

5. 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.
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

For the Executive Director

7/8/2024

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

06/04/2024

Date

R. MATTHEW Zmignowsky

Name (Printed or typed)

Executive Vice President and
Chief Legal and Administrative
Officer

Title

Authorized Representative of
Diamondback E&P LLC

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

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

Attachment A
Docket Number: 2023-0766-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Diamondback E&P LLC
Payable Penalty Amount:	\$29,254
SEP Offset Amount:	\$14,627
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Texas Congress of Parents and Teachers dba Texas PTA
Project Name:	<i>Texas PTA Clean School Bus Replacement Program</i>
Location of SEP:	Texas Air Quality Control Region 218: Midland-Odessa-San Angelo - Preference for Andrews County

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

1. Project Description

a. Project

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

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

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

b. Environmental Benefit

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

c. Minimum Expenditure

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

2. Performance Schedule

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

Texas PTA
408 West 11th Street
Austin, Texas 78701

3. Records and Reporting

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

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

4. Failure to Fully Perform

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

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

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

5. Publicity

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

6. Recognition

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

7. Other SEPs by TCEQ or Other Agencies

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