

**Executive Summary – Enforcement Matter – Case No. 64244**

**Marathon Oil EF LLC**

**RN107202731**

**Docket No. 2023-0839-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

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

West Karnes Central Facility, located approximately 1.0 miles southeast of the Farm-to-Market Road 2102 and County Road 370 intersection, Karnes City, Karnes County

**Type of Operation:**

Centralized crude oil/condensate, gas, and water 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 19, 2024

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$35,000

**Amount Deferred for Expedited Settlement:** \$7,000

**Total Paid to General Revenue:** \$14,000

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

Payment Plan: N/A

**Supplemental Environmental Project (“SEP”) Conditional Offset:** \$14,000

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:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** January 2021

***Investigation Information***

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

**Complaint Information:** N/A

**Date(s) of Investigation:** June 20, 2023 and November 17, 2023

**Date(s) of NOE(s):** January 17, 2024 and June 30, 2024

**Executive Summary – Enforcement Matter – Case No. 64244**

**Marathon Oil EF LLC**

**RN107202731**

**Docket No. 2023-0839-AIR-E**

***Violation Information***

1. Failed to comply with all representations with regard to construction plans, operating procedures, pollution control methods, and maximum emission rates (“MERs”) in any registration for a standard permit. Specifically, the Respondent exceeded the represented sulfur dioxide (“SO<sub>2</sub>”) MER of 77.42 pounds per hour (“lbs/hr”) by 3.16 lbs/hr for a total of 13 hours and 45 minutes from August 9, 2020 through August 10, 2020, by 5.34 lbs/hr for one hour and 30 minutes on October 11, 2022, by 11.87 lbs/hr for two hours and 30 minutes on November 27, 2022, by 14.92 lbs/hr for three hours and 30 minutes on November 27, 2022, by 18.22 lbs/hr for eight hours and 15 minutes on November 28, 2022, and by 11.60 lbs/hr for three hours on December 5, 2022 for the Amine Flare, Emissions Point Number (“EPN”) FL5, resulting in 319.27 pounds of unauthorized SO<sub>2</sub> emissions [30 TEX. ADMIN. CODE §§ 116.615(2) and 122.143(4), Standard Permit Registration No. 118746, Federal Operating Permit (“FOP”) No. O3972/General Operating Permit (“GOP”) No. 514, Site-wide Requirements No. (b)(9)(F)(v), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to submit an initial notification within 30 days of commencement of the construction of a stationary spark ignition internal combustion engine equal to or greater than 500 horsepower. Specifically, the Respondent commenced construction on August 1, 2022 for the stationary Spark Ignition Internal Combustion Engine ENG7 that was greater than 500 horsepower and the initial notification was due by August 31, 2022, but the initial notification was not submitted [30 TEX. ADMIN. CODE §§ 101.20(1), 116.615(2), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.4245(c), Standard Permit Registration No. 118746, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Authorized Facilities, Changes and Activities No. (c)(2)(B), FOP No. O3972/GOP No. 514, Site-wide Requirements No. (b)(15)(A), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to comply with all representations with regard to construction plans, operating procedures, pollution control methods, and MERs in any registration for a standard permit. Specifically, the Respondent exceeded the represented SO<sub>2</sub> MER of 77.42 lbs/hr by 10.76 lbs/hr for one hour and 15 minutes on February 26, 2023 for the Amine Flare, EPN FL5, resulting in 13.45 pounds of unauthorized SO<sub>2</sub> emissions [30 TEX. ADMIN. CODE §§ 116.615(2) and 122.143(4), Standard Permit Registration No. 118746, FOP No. O3972/GOP No. 514, Site-wide Requirements No. (b)(9)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

N/A

**Executive Summary – Enforcement Matter – Case No. 64244**  
**Marathon Oil EF LLC**  
**RN107202731**  
**Docket No. 2023-0839-AIR-E**

**Technical Requirements:**

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).
2. The Order will also require the Respondent to:
  - a. Within 30 days:
    - i. Implement measures designed to comply with the represented SO<sub>2</sub> hourly MER for the Amine Flare, EPN FL5; and
    - ii. Submit the initial notification for the commencement of the construction for stationary Spark Ignition Internal Combustion Engine ENG7.
  - b. Within 45 days, submit written certification to demonstrate compliance with a.

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Desmond Martin, Enforcement Division, Enforcement Team 2, MC 219, (512) 239-2814; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

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

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

**Respondent:** Cody Swanson Steege, Compliance Supervisor, Marathon Oil EF LLC, 990 Town and Country Boulevard, Houston, Texas 77024

Brent Evans, Operations Director, Marathon Oil EF LLC, 990 Town and Country Boulevard, Houston, Texas 77024

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



# Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

<b>DATES</b>	<b>Assigned</b>	27-Jun-2023	<b>Screening</b>	29-Jun-2023	<b>EPA Due</b>	
	<b>PCW</b>	5-Jun-2024				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Marathon Oil EF LLC
<b>Reg. Ent. Ref. No.</b>	RN107202731
<b>Facility/Site Region</b>	13-San Antonio
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	64244	<b>No. of Violations</b>	3
<b>Docket No.</b>	2023-0839-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Desmond Martin
		<b>EC's Team</b>	Enforcement Team 2
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$35,000
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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.

<b>Compliance History</b>	0.0%	Adjustment	<b>Subtotals 2, 3, &amp; 7</b>	\$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.

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

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	\$0
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<b>Economic Benefit</b>	0.0%	Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$797
Estimated Cost of Compliance	\$10,250

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$35,000
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

<b>Final Penalty Amount</b>	\$35,000
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$35,000
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<b>DEFERRAL</b>	20.0%	Reduction	Adjustment	-\$7,000
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$28,000
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**Screening Date** 29-Jun-2023

**Docket No.** 2023-0839-AIR-E

**PCW**

**Respondent** Marathon Oil EF LLC

*Policy Revision 5 (January 28, 2021)*

**Case ID No.** 64244

*PCW Revision February 11, 2021*

**Reg. Ent. Reference No.** RN107202731

**Media** Air

**Enf. Coordinator** Desmond Martin

### 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)**

No

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

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

Satisfactory Performer

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

**>> Compliance History Summary**

**Compliance History Notes**

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** 29-Jun-2023 **Docket No.** 2023-0839-AIR-E **PCW**  
**Respondent** Marathon Oil EF LLC *Policy Revision 5 (January 28, 2021)*  
**Case ID No.** 64244 *PCW Revision February 11, 2021*  
**Reg. Ent. Reference No.** RN107202731  
**Media** Air  
**Enf. Coordinator** Desmond Martin

**Violation Number** 1  
**Rule Cite(s)** 30 Tex. Admin. Code §§ 116.615(2) and 122.143(4), Standard Permit Registration No. 118746, Federal Operating Permit ("FOP") No. O3972/General Operating Permit ("GOP") No. 514, Site-wide Requirements No. (b)(9)(F)(v), and Tex. Health & Safety Code § 382.085(b)  
**Violation Description**  
 Failed to comply with all representations with regard to construction plans, operating procedures, pollution control methods, and maximum emission rates in any registration for a standard permit. Specifically, the Respondent exceeded the represented sulfur dioxide ("SO2") maximum emissions rate ("MER") of 77.42 pounds per hour ("lbs/hr") by 3.16 lbs/hr for a total of 13 hours and 45 minutes from August 9, 2020 through August 10, 2020, by 5.34 lbs/hr for one hour and 30 minutes on October 11, 2022, by 11.87 lbs/hr for two hours and 30 minutes on November 27, 2022, by 14.92 lbs/hr for three hours and 30 minutes on November 27, 2022, by 18.22 lbs/hr for eight hours and 15 minutes on November 28, 2022, and by 11.60 lbs/hr for three hours on December 5, 2022 for the Amine Flare, Emissions Point Number ("EPN") FL5, resulting in 319.27 pounds of unauthorized SO2 emissions.  
**Base Penalty** \$25,000

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
		Actual			
Potential					

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
				0.0%

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

**Adjustment** \$17,500  
 \$7,500

**Violation Events**

Number of Violation Events: 3      6 Number of violation days

daily	
weekly	
monthly	X
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$22,500

Three monthly events are recommended for the instances of non-compliance that occurred from August 9, 2022 to August 10, 2022, on October 11, 2022, and from November 27, 2022 to December 5, 2022.

**Good Faith Efforts to Comply** 0.0% Reduction \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	
Notes	The Respondent does not meet the good faith criteria for this violation.	

**Violation Subtotal** \$22,500

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

**Estimated EB Amount** \$768      **Violation Final Penalty Total** \$22,500  
**This violation Final Assessed Penalty (adjusted for limits)** \$22,500

## Economic Benefit Worksheet

**Respondent** Marathon Oil EF LLC  
**Case ID No.** 64244  
**Reg. Ent. Reference No.** RN107202731  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

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

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	20-Jun-2023	1-Jan-2025	1.54	\$768	n/a	\$768

**Notes for DELAYED costs**

Estimated cost to implement measures designed to comply with the represented SO2 hourly MER for the Amine Flare, EPN FL5. The Date Required is the first date of non-compliance and the Final Date is the estimated date of compliance.

### Avoided Costs

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

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

**Notes for AVOIDED costs**

Approx. Cost of Compliance

\$10,000

**TOTAL**

\$768

**Screening Date** 29-Jun-2023 **Docket No.** 2023-0839-AIR-E **PCW**  
**Respondent** Marathon Oil EF LLC *Policy Revision 5 (January 28, 2021)*  
**Case ID No.** 64244 *PCW Revision February 11, 2021*  
**Reg. Ent. Reference No.** RN107202731  
**Media** Air  
**Enf. Coordinator** Desmond Martin

**Violation Number**

**Rule Cite(s)** 30 Tex. Admin. Code §§ 101.20(1), 116.615(2), and 122.143(4), 40 Code of Federal Regulations § 60.4245(c), Standard Permit Registration No. 118746, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Authorized Facilities, Changes and Activities No. (c)(2)(B), FOP No. O3972/GOP No. 514, Site-wide Requirements No. (b)(15)(A), and Tex. Health & Safety Code § 382.085(b)

**Violation Description** Failed to submit an initial notification within 30 days of commencement of the construction of a stationary spark ignition internal combustion engine equal to or greater than 500 horsepower. Specifically, the Respondent commenced construction on August 1, 2022 for the stationary Spark Ignition Internal Combustion Engine ENG7 that was greater than 500 horsepower and the initial notification was due by August 31, 2022, but the initial notification was not submitted.

**Base Penalty**

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="20.0%"/>

**Matrix Notes**

**Adjustment**

**Violation Events**

Number of Violation Events   Number of violation days

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="text" value="x"/>

**Violation Base Penalty**

**Good Faith Efforts to Comply**  Reduction

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="text" value="x"/>	<input type="text"/>

**Notes**

**Violation Subtotal**

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

**Estimated EB Amount**  **Violation Final Penalty Total**

**This violation Final Assessed Penalty (adjusted for limits)**



## Economic Benefit Worksheet

**Respondent** Marathon Oil EF LLC  
**Case ID No.** 64244  
**Reg. Ent. Reference No.** RN107202731  
**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	31-Aug-2022	1-Jan-2025	2.34	\$29	n/a	\$29

**Notes for DELAYED costs**

Estimated cost to submit the initial notification for the commencement of the construction for stationary Spark Ignition Internal Combustion Engine ENG7. The Date Required is the date the notification was due and the Final Date is the estimated date of compliance.

### Avoided Costs

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

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

**Notes for AVOIDED costs**

Approx. Cost of Compliance

\$250

**TOTAL**

\$29

**Screening Date** 29-Jun-2023 **Docket No.** 2023-0839-AIR-E **PCW**  
**Respondent** Marathon Oil EF LLC *Policy Revision 5 (January 28, 2021)*  
**Case ID No.** 64244 *PCW Revision February 11, 2021*  
**Reg. Ent. Reference No.** RN107202731  
**Media** Air  
**Enf. Coordinator** Desmond Martin

**Violation Number**

**Rule Cite(s)**  
 30 Tex. Admin. Code §§ 116.615(2) and 122.143(4), Standard Permit Registration No. 118746, FOP No. O3972/GOP No. 514, Site-wide Requirements No. (b)(9)(E)(ii), and Tex. Health & Safety Code § 382.085(b)

**Violation Description**  
 Failed to comply with all representations with regard to construction plans, operating procedures, pollution control methods, and maximum emission rates in any registration for a standard permit. Specifically, the Respondent exceeded the represented SO2 MER of 77.42 lbs/hr by 10.76 lbs/hr for one hour and 15 minutes on February 26, 2023 for the Amine Flare, EPN FL5, resulting in 13.45 pounds of unauthorized SO2 emissions.

**Base Penalty**

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="30.0%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="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**

**Violation Events**

Number of Violation Events   Number of violation days

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input checked="" type="checkbox"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input type="text"/>

**Violation Base Penalty**

One monthly event is recommended for the instance of non-compliance that occurred on February 26, 2023.

**Good Faith Efforts to Comply**  Reduction

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="checkbox"/>	<input type="text"/>

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

**Violation Subtotal**

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

**Estimated EB Amount**  **Violation Final Penalty Total**

**This violation Final Assessed Penalty (adjusted for limits)**

## Economic Benefit Worksheet

**Respondent** Marathon Oil EF LLC  
**Case ID No.** 64244  
**Reg. Ent. Reference No.** RN107202731  
**Media** Air  
**Violation No.** 3

Percent Interest	Years of Depreciation
5.0	15

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

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

See the Economic Benefit in Violation No. 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

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



# Compliance History Report

Compliance History Report for CN603988692, RN107202731, Rating Year 2023 which includes Compliance History (CH) components from September 1, 2018, through August 31, 2023.

**Customer, Respondent, or Owner/Operator:** CN603988692, Marathon Oil EF LLC      **Classification:** SATISFACTORY      **Rating:** 0.66

**Regulated Entity:** RN107202731, WEST KARNES CENTRAL FACILITY      **Classification:** HIGH      **Rating:** 0.00

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

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

**Location:** Approximately 1.0 mile southeast of the Farm-to-Market Road 2102 and County Road 370 intersection in Karnes County, Texas

**TCEQ Region:** REGION 13 - SAN ANTONIO

**ID Number(s):**

**AIR OPERATING PERMITS** PERMIT 3972      **AIR OPERATING PERMITS** ACCOUNT NUMBER KAA043R

**AIR NEW SOURCE PERMITS** REGISTRATION 118746      **AIR NEW SOURCE PERMITS** AFS NUM 4825500206

**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER KAA043R

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

**Date Compliance History Report Prepared:** April 08, 2024

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** April 08, 2019 to April 08, 2024

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

**Name:** Desmond Martin      **Phone:** (512) 239-2814

## Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO

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

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

N/A

### **B. Criminal convictions:**

N/A

### **C. Chronic excessive emissions events:**

N/A

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

Item 1	January 15, 2020	(1612319)
Item 2	October 26, 2020	(1652145)
Item 3	October 27, 2020	(1650577)
Item 4	January 26, 2021	(1644187)
Item 5	February 25, 2021	(1652242)
Item 6	May 12, 2021	(1645080)
Item 7	July 13, 2021	(1737511)
Item 8	October 29, 2021	(1770943)
Item 9	May 27, 2022	(1813222)

Item 11	February 28, 2023	(1868466)
Item 12	March 31, 2023	(1887984)
Item 13	August 30, 2023	(1924049)
Item 14	September 19, 2023	(1924291)

**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: 06/24/2021 (1750305)

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

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
MARATHON OIL EF LLC  
RN107202731

§           BEFORE THE  
§           TEXAS COMMISSION ON  
§           ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2023-0839-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 Marathon Oil EF LLC (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a centralized crude oil/condensate, gas, and water production facility located approximately 1.0 mile southeast of the Farm-to-Market Road 2102 and County Road 370 intersection in Karnes County, Texas (the "Site"). The Site 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 \$35,000 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$14,000 of the penalty and \$7,000 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, \$14,000 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.

## II. ALLEGATIONS

1. During a record review for the Site conducted on June 20, 2023, an investigator documented that the Respondent:
  - a. Failed to comply with all representations with regard to construction plans, operating procedures, pollution control methods, and maximum emission rates in any registration for a standard permit, in violation of 30 TEX. ADMIN. CODE §§ 116.615(2) and 122.143(4), Standard Permit Registration No. 118746, Federal Operating Permit ("FOP") No. O3972/General Operating Permit ("GOP") No. 514, Site-wide Requirements No. (b)(9)(F)(v), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent exceeded the represented sulfur dioxide ("SO<sub>2</sub>") maximum emissions rate ("MER") of 77.42 pounds per hour ("lbs/hr") by 3.16 lbs/hr for a total of 13 hours and 45 minutes from August 9, 2020 through August 10, 2020, by 5.34 lbs/hr for one hour and 30 minutes on October 11, 2022, by 11.87 lbs/hr for two hours and 30 minutes on November 27, 2022, by 14.92 lbs/hr for three hours and 30 minutes on November 27, 2022, by 18.22 lbs/hr for eight hours and 15 minutes on November 28, 2022, and by 11.60 lbs/hr for three hours on December 5, 2022 for the Amine Flare, Emissions Point Number ("EPN") FL5, resulting in 319.27 pounds of unauthorized SO<sub>2</sub> emissions.
  - b. Failed to submit an initial notification within 30 days of commencement of the construction of a stationary spark ignition internal combustion engine equal to or greater than 500 horsepower, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 116.615(2), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.4245(c), Standard Permit Registration No. 118746, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Authorized Facilities, Changes and Activities No. (c)(2)(B), FOP No. O3972/GOP No. 514, Site-wide Requirements No. (b)(15)(A), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the

Respondent commenced construction on August 1, 2022 for the stationary Spark Ignition Internal Combustion Engine ENG7 that was greater than 500 horsepower and the initial notification was due by August 31, 2022, but the initial notification was not submitted.

2. During an investigation at the Site conducted on November 17, 2023, an investigator documented that the Respondent failed to comply with all representations with regard to construction plans, operating procedures, pollution control methods, and maximum emission rates in any registration for a standard permit, in violation of 30 TEX. ADMIN. CODE §§ 116.615(2) and 122.143(4), Standard Permit Registration No. 118746, FOP No. O3972/GOP No. 514, Site-wide Requirements No. (b)(9)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent exceeded the represented SO<sub>2</sub> MER of 77.42 lbs/hr by 10.76 lbs/hr for one hour and 15 minutes on February 26, 2023 for the Amine Flare, EPN FL5, resulting in 13.45 pounds of unauthorized SO<sub>2</sub> emissions.

### 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: Marathon Oil EF LLC, Docket No. 2023-0839-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 \$14,000 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. The Respondent shall undertake the following technical requirements at the Site:
  - a. Within 30 days after the effective date of this Order:
    - i. Implement measures designed to comply with the represented SO<sub>2</sub> hourly MER for the Amine Flare, EPN FL5; and



- ii. Submit the initial notification for the commencement of the construction for stationary Spark Ignition Internal Combustion Engine ENG7.
- b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be signed by the Respondent and shall include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

Air Section Manager  
San Antonio Regional Office  
Texas Commission on Environmental Quality  
14250 Judson Road  
San Antonio, Texas 78233-4480

4. All relief not expressly granted in this Order is denied.
5. 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 Site operations referenced in this Order.
6. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director. Extension requests shall be sent to the Enforcement Division at the address listed above.
7. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

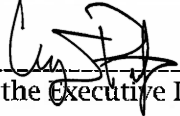
8. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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For the Commission

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Date

  
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For the Executive Director

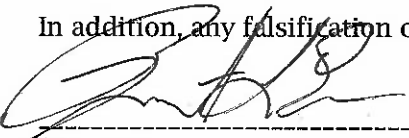
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7/22/2024  
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Date

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.

  
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Signature

-----  
7/18/2024  
-----  
Date

-----  
Brent Evans  
-----  
Name (Printed or typed)  
Authorized Representative of  
Marathon Oil EF LLC

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Operations Director - EF  
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Title

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

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

**Attachment A**  
**Docket Number: 2023-0839-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Marathon Oil EF LLC</b>
<b>Payable Penalty Amount:</b>	<b>\$28,000</b>
<b>SEP Offset Amount:</b>	<b>\$14,000</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Texas Congress of Parents and Teachers dba Texas PTA</b>
<b>Project Name:</b>	<b><i>Texas PTA Clean School Bus Replacement Program</i></b>
<b>Location of SEP:</b>	<b>Texas Air Quality Control Region 217: San Antonio - Preference for Karnes County</b>

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.