

Executive Summary – Enforcement Matter – Case No. 64540
Capital Star Oil and Gas, Inc.
RN100218833
Docket No. 2023-1085-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

North Word Gas Plant, 867 West Fairwinds Street, Hallettsville, Lavaca County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: May 24, 2024

Comments Received: No

Penalty Information

Total Penalty Assessed: \$41,650

Amount Deferred for Expedited Settlement: \$8,330

Total Paid to General Revenue: \$8,320

Total Due to General Revenue: \$25,000

Payment Plan: 5 payments of \$5,000 each

Compliance History Classifications:

Person/CN - High

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: July 24, 2023 through July 25, 2023

Date(s) of NOE(s): August 1, 2023

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Violation Information

1. Failed to submit a deviation report no later than 30 days after the end of each reporting period. Specifically, the deviation report for the May 3, 2022 through November 2, 2022 reporting period was due by December 2, 2022, but was not submitted until December 12, 2022. Additionally, the deviation report for the November 3, 2022 through May 2, 2023 reporting period was due by June 1, 2023, but was not submitted until June 7, 2023 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), Federal Operating Permit ("FOP") No. O108, General Terms and Conditions ("GTC"), and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to submit a permit compliance certification ("PCC") within 30 days of any certification period. Specifically, the PCC for the May 3, 2022 through May 2, 2023 certification period was due by June 1, 2023, but was not submitted until June 7, 2023 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), FOP No. O108, GTC and Special Terms and Conditions ("STC") No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
3. Failed to submit a signed certification of accuracy and completeness. Specifically, the signed certification of accuracy and completeness, Form OP-CRO1, that was submitted with the PCC for the May 3, 2022 through May 2, 2023 certification period on June 7, 2023 was not signed by the Responsible Official [30 TEX. ADMIN. CODE §§ 122.143(4), 122.146(1), and 122.165(a)(8), FOP No. O108, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
4. Failed to report all instances of deviations. Specifically, the deviation report for the May 3, 2022 through November 2, 2022 reporting period did not include the deviations for failing to report five non-reportable emissions events. Additionally, the deviation report for the November 3, 2022 through May 2, 2023 reporting period did not include the deviation for failing to submit the deviation report for the May 3, 2022 through November 2, 2022 reporting period no later than 30 days after the end of the reporting period [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O108, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
5. Failed to create a final record for all reportable and non-reportable emissions events no later than two weeks after the end of an emissions event. Specifically, the final records for five non-reportable emissions events were not created for the emissions from a pressure relief valve on the North Word's Amine Contractor Column, a partially opened valve connected to a hose that was leaking volatile organic compounds ("VOC") laden water from the Glycol Knockout Tank, the emissions from the valves and thief hatches on the Oil Skimmer Tank and its associated produced water tanks, the emissions from a pressure relief valve on the Bullet Tank, and the emissions from a valve on the Bullet Tank that were discovered by TCEQ staff during an investigation conducted on July 13, 2022 [30 TEX. ADMIN. CODE §§ 101.201(b) and 122.143(4), FOP No. O108, GTC and STC No. 2.F., and TEX. HEALTH & SAFETY CODE § 382.085(b)].

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Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. On December 12, 2022, submitted the deviation report for the May 3, 2022 through November 2, 2022 reporting period;
- b. On June 7, 2023, submitted the deviation report for the November 3, 2022 through May 2, 2023 reporting period and the PCC for the May 3, 2022 through May 2, 2023 certification period;
- c. By July 19, 2023, submitted the signed certification of accuracy and completeness, Form OP-CRO1, with the PCC for the May 3, 2022 through May 2, 2023 certification period;
- d. By August 30, 2023, implemented procedures in order to ensure that the deviation reports, PCCs, and signed certifications of accuracy and completeness (Form OP-CRO1) are submitted in a timely manner and implemented procedures in order to ensure that the final records for non-reportable emissions events are created in a timely manner;
- e. By February 21, 2024, created the final records for the five non-reportable emissions events for the emissions from a pressure relief valve on the North Word's Amine Contractor Column, a partially opened valve connected to a hose that was leaking VOC laden water from the Glycol Knockout Tank, the emissions from the valves and thief hatches on the Oil Skimmer Tank and its associated produced water tanks, the emissions from a pressure relief valve on the Bullet Tank, and the emissions from a valve on the Bullet Tank that were discovered by the TCEQ staff during an investigation conducted on July 13, 2022;
- f. By February 27, 2024, submitted the revised deviation report for the May 3, 2022 through November 2, 2022 reporting period to report the deviations for failing to create the final records for five non-reportable emissions events no later than two weeks after the end of the emissions events; and
- g. By February 27, 2024, submitted the revised deviation report for the November 3, 2022 through May 2, 2023 reporting period to report the deviations for failing to submit the deviation report for the May 3, 2022 through November 2, 2022 reporting period no later than 30 days after the end of the reporting period.

Technical Requirements:

N/A

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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

Respondent: Thomas Wygant, Vice President, Capital Star Oil and Gas, Inc., 4400 Post Oak Parkway, Suite 23690, Houston, Texas 77027-3421

Ryan Ignasiak, Compliance Manager, Capital Star Oil and Gas, Inc., 4400 Post Oak Parkway, Suite 23690, Houston, Texas 77027-3421

Respondent's Attorney: N/A

Screening Date

17-Aug-2023

Docket No.

2023-1085-AIR-E

PCW

Respondent

Capital Star Oil and Gas, Inc.

Case ID No.

64540

Reg. Ent. Reference No.

RN100218833

Media

Air

Enf. Coordinator

Desmond Martin

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>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2)0%

>> Repeat Violator (Subtotal 3)

NoAdjustment Percentage (Subtotal 3)0%

>> Compliance History Person Classification (Subtotal 7)

High PerformerAdjustment Percentage (Subtotal 7)-10%

>> Compliance History Summary

Compliance History Notes

Reduction for High Performer Classification.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)-10%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100%-10%

Screening Date

17-Aug-2023

Docket No.

2023-1085-AIR-E

PCW

Respondent

Capital Star Oil and Gas, Inc.

Policy Revision 5 (January 28, 2021)

Case ID No.

64540

PCW Revision February 11, 2021

Reg. Ent. Reference No.

RN100218833

Media

Air

Enf. Coordinator

Desmond Martin

Violation Number

1

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(C), Federal Operating Permit ("FOP") No. O108, General Terms and Conditions ("GTC"), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit a deviation report no later than 30 days after the end of each reporting period. Specifically, the deviation report for the May 3, 2022 through November 2, 2022 reporting period was due by December 2, 2022, but was not submitted until December 12, 2022. Additionally, the deviation report for the November 3, 2022 through May 2, 2023 reporting period was due by June 1, 2023, but was not submitted until June 7, 2023.

Base Penalty

\$25,000

>> Environmental, Property and Human Health Matrix

OR

Release

Major

Moderate

Minor

Actual

Potential

Percent

0.0%

>>Programmatic Matrix

Falsification

Major

Moderate

Minor

x

Percent

20.0%

Matrix Notes

100% of the rule requirements were not met.

Adjustment

\$20,000

\$5,000

Violation Events

Number of Violation Events

2

16

Number of violation days

daily

weekly

monthly

quarterly

semiannual

annual

single event

x

Violation Base Penalty

\$10,000

Two single events are recommended (one event for each late deviation report).

Good Faith Efforts to Comply

10.0%

Reduction

\$1,000

Before NOE/NOV

NOE/NOV to EDPRP/Settlement Offer

Extraordinary

Ordinary

x

N/A

Notes

The Respondent completed the corrective measures by August 30, 2023, after the Notice of Enforcement ("NOE") dated August 1, 2023.

Violation Subtotal

\$9,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

\$69

Violation Final Penalty Total

\$8,000

This violation Final Assessed Penalty (adjusted for limits)

\$8,000

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Capital Star Oil and Gas, Inc. 64540 RN100218833 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	\$1,500	2-Dec-2022	30-Aug-2023	0.74	\$56	n/a	\$56
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	2-Dec-2022	7-Jun-2023	0.51	\$13	n/a	\$13
Notes for DELAYED costs	Estimated costs to submit the deviation reports for the May 3, 2022 through November 2, 2022 and November 3, 2022 through May 2, 2023 reporting periods (\$250/report) and to implement procedures in order to ensure that the deviation reports, permit compliance certifications ("PCCs"), and signed certifications of accuracy and completeness (Form OP-CRO1) are submitted in a timely manner (\$1,500). The Dates Required is the date the first deviation report was due and the Final Dates are the dates of compliance.						

Avoided Costs

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

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

Approx. Cost of Compliance	\$2,000	TOTAL	\$69
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Screening Date		17-Aug-2023		Docket No.		2023-1085-AIR-E		PCW			
Respondent		Capital Star Oil and Gas, Inc.									
Case ID No.		64540									
Reg. Ent. Reference No.		RN100218833									
Media		Air									
Enf. Coordinator		Desmond Martin									
Violation Number		2									
Rule Cite(s)		30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), FOP No. O108, GTC and Special Terms and Conditions ("STC") No. 11, and Tex. Health & Safety Code § 382.085(b)									
Violation Description		Failed to submit a PCC within 30 days of any certification period. Specifically, the PCC for the May 3, 2022 through May 2, 2023 certification period was due by June 1, 2023, but was not submitted until June 7, 2023.									
Base Penalty								\$25,000			
>> Environmental, Property and Human Health Matrix											
OR		Release		Major		Harm		Moderate		Minor	
		Actual									
		Potential									
		Percent				0.0%					
>> Programmatic Matrix											
		Falsification		Major		Moderate		Minor			
				x							
		Percent				20.0%					
Matrix Notes		100% of the rule requirements were not met.									
Adjustment								\$20,000			
								\$5,000			
Violation Events											
		Number of Violation Events		1		6		Number of violation days			
		daily									
		weekly									
		monthly									
		quarterly									
		semiannual									
		annual									
		single event				x					
		Violation Base Penalty				\$5,000					
		One single event is recommended.									
Good Faith Efforts to Comply				10.0%		Reduction		\$500			
		Before NOE/NOV		NOE/NOV to EDPRP/Settlement Offer							
		Extraordinary									
		Ordinary				x					
		N/A									
		Notes		The Respondent completed the corrective measures by August 30, 2023, after the NOE dated August 1, 2023.							
Violation Subtotal								\$4,500			
Economic Benefit (EB) for this violation										Statutory Limit Test	
		Estimated EB Amount		\$0		Violation Final Penalty Total		\$4,000			
This violation Final Assessed Penalty (adjusted for limits)								\$4,000			

Economic Benefit Worksheet

Respondent Capital Star Oil and Gas, Inc.
Case ID No. 64540
Reg. Ent. Reference No. RN100218833
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	1-Jun-2023	7-Jun-2023	0.02	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to submit the PCC for the May 3, 2022 through May 2, 2023 certification period. The Date Required is the date the PCC was due and the Final Date is the date of compliance.

See the Economic Benefit in Violation No. 1 for implementing procedures in order to ensure that the PCCs are submitted in a timely manner.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$250

TOTAL \$0

Screening Date

17-Aug-2023

Docket No.

2023-1085-AIR-E

PCW

Respondent

Capital Star Oil and Gas, Inc.

Case ID No.

64540

Reg. Ent. Reference No.

RN100218833

Media

Air

Enf. Coordinator

Desmond Martin

Violation Number

3

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4), 122.146(1), and 122.165(a)(8), FOP No. O108, GTC, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit a signed certification of accuracy and completeness. Specifically, the signed certification of accuracy and completeness, Form OP-CRO1, that was submitted with the PCC for the May 3, 2022 through May 2, 2023 certification period on June 7, 2023 was not signed by the Responsible Official.

Base Penalty

\$25,000

>> Environmental, Property and Human Health Matrix

OR

Release

Major

Moderate

Minor

Actual

Potential

Percent

0.0%

>>Programmatic Matrix

Falsification

Major

Moderate

Minor

x

Percent

20.0%

Matrix Notes

100% of the rule requirements were not met.

Adjustment

\$20,000

\$5,000

Violation Events

Number of Violation Events

1

48

Number of violation days

daily

weekly

monthly

quarterly

semiannual

annual

single event

x

Violation Base Penalty

\$5,000

One single event is recommended.

Good Faith Efforts to Comply

10.0%

Reduction

\$500

Before NOE/NOV

NOE/NOV to EDPRP/Settlement Offer

Extraordinary

Ordinary

x

N/A

Notes

The Respondent completed the corrective measures by August 30, 2023, after the NOE dated August 1, 2023.

Violation Subtotal

\$4,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

\$2

Violation Final Penalty Total

\$4,000

This violation Final Assessed Penalty (adjusted for limits)

\$4,000

Economic Benefit Worksheet

Respondent Capital Star Oil and Gas, Inc.
Case ID No. 64540
Reg. Ent. Reference No. RN100218833
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)	\$250	1-Jun-2023	19-Jul-2023	0.13	\$2	n/a	\$2
Notes for DELAYED costs	<p>Estimated cost to submit the signed certification of accurary and completeness, Form OP-CRO1, with the PCC for the May 3, 2022 through May 2, 2023 certification period. The Date Required is the date the PCC was due and the Final Date is the date of compliance.</p> <p>See the Economic Benefit in Violation No. 1 for implementing procedures in order to ensure that the signed certifications of accuracy and completeness (Form OP-CRO1) are submitted in a timely manner.</p>						

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	\$2
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Screening Date	17-Aug-2023	Docket No.	2023-1085-AIR-E	PCW
Respondent	Capital Star Oil and Gas, Inc.	<i>Policy Revision 5 (January 28, 2021)</i>		
Case ID No.	64540	<i>PCW Revision February 11, 2021</i>		
Reg. Ent. Reference No.	RN100218833			
Media	Air			
Enf. Coordinator	Desmond Martin			
Violation Number	4			
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), FOP No. O108, GTC, and Tex. Health & Safety Code § 382.085(b)			
Violation Description	Failed to report all instances of deviations. Specifically, the deviation report for the May 3, 2022 through November 2, 2022 reporting period did not include the deviations for failing to create the final records for five non-reportable emissions events no later than two weeks after the end of the emissions events. Additionally, the deviation report for the November 3, 2022 through May 2, 2023 reporting period did not include the deviation for failing to submit the deviation report for the May 3, 2022 through November 2, 2022 reporting period no later than 30 days after the end of the reporting period.			
		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	7.0%	
Matrix Notes	More than 30% but less than 70% of the rule requirements were not met.			
		Adjustment	\$23,250	
			\$1,750	
>> Violation Events				
Number of Violation Events		2	257	Number of violation days
	daily			
	weekly			
	monthly			
	quarterly			
	semiannual			
	annual			
	single event	x		
		Violation Base Penalty	\$3,500	
		Two single events are recommended (one event for each incomplete deviation report).		
Good Faith Efforts to Comply		0.0%	Reduction	\$0
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
	Extraordinary			
	Ordinary			
	N/A	x		
Notes	The Respondent does not meet the good faith criteria for this violation.			
		Violation Subtotal	\$3,500	
Economic Benefit (EB) for this violation		Statutory Limit Test		
Estimated EB Amount		\$31	Violation Final Penalty Total	\$3,150
		This violation Final Assessed Penalty (adjusted for limits)		
		\$3,150		

Economic Benefit Worksheet

Respondent Case ID No. Capital Star Oil and Gas, Inc. 64540
Reg. Ent. Reference No. RN100218833
Media Air
Violation No. 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)	\$500	2-Dec-2022	27-Feb-2024	1.24	\$31	n/a	\$31

Notes for DELAYED costs

Estimated cost to submit the revised deviation report for the May 3, 2022 through November 2, 2022 reporting period to report the deviations for failing to create the final records for five non-reportable emissions events no later than two weeks after the end of the emissions events (\$250) and to submit the revised deviation report for the November 3, 2022 through May 2, 2023 reporting period to report the deviations for failing to submit the deviation report for the May 3, 2022 through November 2, 2022 reporting period no later than 30 days after the end of the reporting period (\$250). The Date Required is the date the first deviation report 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	\$500	TOTAL	\$31
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Screening Date		17-Aug-2023		Docket No.		2023-1085-AIR-E		PCW		
Respondent		Capital Star Oil and Gas, Inc.								
Case ID No.		64540								
Reg. Ent. Reference No.		RN100218833								
Media		Air								
Enf. Coordinator		Desmond Martin								
Violation Number		5								
Rule Cite(s)		30 Tex. Admin. Code §§ 101.201(b) and 122.143(4), FOP No. O108, GTC and STC No. 2.F., and Tex. Health & Safety Code § 382.085(b)								
Violation Description		Failed to create the final record for all reportable and non-reportable emissions events no later than two weeks after the end of an emissions event. Specifically, the final records for five non-reportable emissions events were not created for the emissions from a pressure relief valve on the North Word's Amine Contractor Column, a partially opened valve connected to a hose that was leaking volatile organic compounds ("VOC") laden water from the Glycol Knockout Tank, the emissions from the valves and thief hatches on the Oil Skimmer Tank and its associated produced water tanks, the emissions from a pressure relief valve on the Bullet Tank, and the emissions from a valve on the Bullet Tank that were discovered by the TCEQ staff during an investigation conducted on July 13, 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	20.0%				
	Matrix Notes	100% of the rule requirements were not met.								
								Adjustment	\$20,000	
									\$5,000	
Violation Events										
Number of Violation Events		5		386		Number of violation days				
	daily									
	weekly									
	monthly									
	quarterly									
	semiannual									
	annual									
	single event	x								
								Violation Base Penalty	\$25,000	
Five single events are recommended (one event for each missing final record).										
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	\$25,000	
Economic Benefit (EB) for this violation										
Statutory Limit Test										
Estimated EB Amount		\$180		Violation Final Penalty Total		\$22,500				
This violation Final Assessed Penalty (adjusted for limits)								\$22,500		

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Capital Star Oil and Gas, Inc. 64540 RN100218833 Air 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	\$1,500	27-Jul-2022	30-Aug-2023	1.09	\$82	n/a	\$82
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,250	27-Jul-2022	21-Feb-2024	1.57	\$98	n/a	\$98

Notes for DELAYED costs

Estimated costs to create the final records for the five non-reportable emissions events for the emissions from a pressure relief valve on the North Word's Amine Contractor Column, a partially opened valve connected to a hose that was leaking VOC laden water from the Glycol Knockout Tank, the emissions from the valves and thief hatches on the Oil Skimmer Tank and its associated produced water tanks, the emissions from a pressure relief valve on the Bullet Tank, and the emissions from a valve on the Bullet Tank that were discovered by the TCEQ staff during an investigation conducted on July 13, 2022 (\$250/final record) and to implement procedures in order to ensure that the final records for non-reportable emissions events are created in a timely manner (\$1,500). The Dates Required is the date the final records were due to be created and the Final Dates are the dates of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance	\$2,750	TOTAL	\$180
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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 CN604155994, RN100218833, Rating Year 2023 which includes Compliance History (CH) components from September 1, 2018, through August 31, 2023.

Customer, Respondent, or Owner/Operator: CN604155994, Capital Star Oil and Gas, Inc. **Classification:** HIGH **Rating:** 0.00

Regulated Entity: RN100218833, North Word Gas Plant **Classification:** HIGH **Rating:** 0.00

Complexity Points: 13 **Repeat Violator:** NO

CH Group: 03 - Oil and Gas Extraction

Location: 867 West Fairwinds Street, Hallettsville, Lavaca County, Texas

TCEQ Region: REGION 14 - CORPUS CHRISTI

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER LE0018K

AIR OPERATING PERMITS PERMIT 108

AIR NEW SOURCE PERMITS ACCOUNT NUMBER LE0018K

AIR NEW SOURCE PERMITS PERMIT 8874

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX455

AIR NEW SOURCE PERMITS AFS NUM 4828500003

AIR NEW SOURCE PERMITS REGISTRATION 117749

AIR NEW SOURCE PERMITS REGISTRATION 168726

AIR NEW SOURCE PERMITS REGISTRATION 167031

AIR NEW SOURCE PERMITS REGISTRATION 170961

AIR NEW SOURCE PERMITS REGISTRATION 160390

AIR EMISSIONS INVENTORY ACCOUNT NUMBER LE0018K

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

Date Compliance History Report Prepared: January 29, 2024

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 29, 2019 to January 29, 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 August 07, 2020 (1650883)

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

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

N/A

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CAPITAL STAR OIL AND GAS, INC.
RN100218833

§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2023-1085-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 Capital Star Oil and Gas, Inc. (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas processing plant located at 867 West Fairwinds Street in Hallettsville, Lavaca 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 \$41,650 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$8,320 of the penalty and \$8,330 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.

The remaining amount of \$25,000 of the undeferred penalty shall be paid in five monthly payments of \$5,000 each. The first monthly payment shall be paid within 30 days after the effective date of this Order. The subsequent payments shall each be paid not later than 30 days following the due date of the previous payment until the penalty is paid in full. If the Respondent fails to comply with the payment requirements of this Order, including the payment schedule, the Executive Director may accelerate the maturity of the remaining installments, in which event the unpaid balance shall become immediately due and payable without demand or notice. The Respondent's failure to meet the payment schedule of this Order and/or the acceleration of any remaining

balance constitutes the failure by the Respondent to timely and satisfactorily comply with all the terms and conditions of this Order and the Executive Director may demand payment of all or part of the deferred penalty amount.

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order represents the complete and fully integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant:
 - a. On December 12, 2022, submitted the deviation report for the May 3, 2022 through November 2, 2022 reporting period;
 - b. On June 7, 2023, submitted the deviation report for the November 3, 2022 through May 2, 2023 reporting period and the permit compliance certification ("PCC") for the May 3, 2022 through May 2, 2023 certification period;
 - c. By July 19, 2023, submitted the signed certification of accuracy and completeness, Form OP-CRO1, with the PCC for the May 3, 2022 through May 2, 2023 certification period;
 - d. By August 30, 2023, implemented procedures in order to ensure that the deviation reports, PCCs, and signed certifications of accuracy and completeness (Form OP-CRO1) are submitted in a timely manner and implemented procedures in order to ensure that the final records for non-reportable emissions events are created in a timely manner;
 - e. By February 21, 2024, created the final records for the five non-reportable emissions events for the emissions from a pressure relief valve on the North Word's Amine Contractor Column, a partially opened valve connected to a hose that was leaking volatile organic compounds ("VOC") laden water from the Glycol Knockout Tank, the emissions from the valves and thief hatches on the Oil Skimmer Tank and its associated produced water tanks, the emissions from a pressure relief valve on the Bullet Tank, and the emissions from a valve on the Bullet Tank that were discovered by the TCEQ staff during an investigation conducted on July 13, 2022;

- f. By February 27, 2024, submitted the revised deviation report for the May 3, 2022 through November 2, 2022 reporting period to report the deviations for failing to create the final records for five non-reportable emissions events no later than two weeks after the end of the emissions events; and
- g. By February 27, 2024, submitted the revised deviation report for the November 3, 2022 through May 2, 2023 reporting period to report the deviations for failing to submit the deviation report for the May 3, 2022 through November 2, 2022 reporting period no later than 30 days after the end of the reporting period.

II. ALLEGATIONS

During a record review for the Plant conducted from July 24, 2023 through July 25, 2023, an investigator documented that the Respondent:

1. Failed to submit a deviation report no later than 30 days after the end of each reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), Federal Operating Permit ("FOP") No. O108, General Terms and Conditions ("GTC"), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the deviation report for the May 3, 2022 through November 2, 2022 reporting period was due by December 2, 2022, but was not submitted until December 12, 2022. Additionally, the deviation report for the November 3, 2022 through May 2, 2023 reporting period was due by June 1, 2023, but was not submitted until June 7, 2023.
2. Failed to submit a PCC within 30 days of any certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), FOP No. O108, GTC and Special Terms and Conditions ("STC") No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the PCC for the May 3, 2022 through May 2, 2023 certification period was due by June 1, 2023, but was not submitted until June 7, 2023.
3. Failed to submit a signed certification of accuracy and completeness, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4), 122.146(1), and 122.165(a)(8), FOP No. O108, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the signed certification of accuracy and completeness, Form OP-CRO1, that was submitted with the PCC for the May 3, 2022 through May 2, 2023 certification period on June 7, 2023 was not signed by the Responsible Official.
4. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O108, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the deviation report for the May 3, 2022 through November 2, 2022 reporting period did not include the deviations for failing to report five non-reportable emissions events. Additionally, the deviation report for the November 3, 2022 through May 2, 2023 reporting period did not include the deviation for failing to submit the deviation report for the May 3, 2022 through November 2, 2022 reporting period no later than 30 days after the end of the reporting period.
5. Failed to create a final record for all reportable and non-reportable emissions events no later than two weeks after the end of an emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(b) and 122.143(4), FOP No. O108, GTC and STC No. 2.F., and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the final records for five non-reportable emissions events were not created for the emissions from a pressure relief valve on the North Word's Amine Contractor Column, a partially opened valve connected to a hose

that was leaking VOC laden water from the Glycol Knockout Tank, the emissions from the valves and thief hatches on the Oil Skimmer Tank and its associated produced water tanks, the emissions from a pressure relief valve on the Bullet Tank, and the emissions from a valve on the Bullet Tank that were discovered by TCEQ staff during an investigation conducted on July 13, 2022.

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: Capital Star Oil and Gas, Inc., Docket No. 2023-1085-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. All relief not expressly granted in this Order is denied.
3. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.
4. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
6. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this

Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

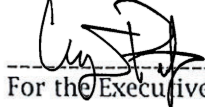
7. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date



6/19/2024

For the Executive Director

Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this Order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the OAG for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the OAG of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Signature

Date

TOM WYGANT

6/10/2024

V.P.

Name (Printed or typed)

Title

Authorized Representative of
Capital Star Oil and Gas, Inc.

☐ 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.