Executive Summary – Enforcement Matter – Case No. 68564
Delaware Processing LLC
RN107914277
Docket No. 2025-1536-AIR-E

Order Type:
1660 Agreed Order
Findings Order Justification:
N/A
Media:
AIR
Small Business:
Yes
Location(s) Where Violation(s) Occurred:
Lobo Processing Plant, located approximately 6.5 miles northest from Menton on State Highway 302, Mentone, Loving County
Type of Operation:
Oil and gas processing plant
Other Significant Matters:
Additional Pending Enforcement Actions: No
Past-Due Penalties: No
Past-Due Fees: No
Other: N/A
Interested Third-Parties: None
Texas Register Publication Date: February 27, 2026
Comments Received: No

Penalty Information

Total Penalty Assessed: $12,600
Amount Deferred for Expedited Settlement: $2,520
Total Paid to General Revenue: $10,080
Total Due to General Revenue: $0
Payment Plan: N/A
Compliance History Classifications:
Person/CN - Satisfactory
Site/RN - Satisfactory
Major Source: Yes
Statutory Limit Adjustment: N/A
Applicable Penalty Policy: January 2021

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: May 19, 2025
Date(s) of NOE(s): August 22, 2025

Executive Summary – Enforcement Matter – Case No. 68564
Delaware Processing LLC
RN107914277
Docket No. 2025-1536-AIR-E

Violation Information

1. Failed to conduct a quarterly performance evaluation. Specifically, Engine C-1 and Engine C-3 were operated for more than 1,000 hours during the third quarter of 2024, but the Respondent did not conduct the quarterly performance evaluation for Engine C-1 and Engine C-3 for the third quarter of 2024 [30 TEX. ADMIN. CODE §§ 116.615(2) and 122.143(4), Standard Permit Registration No. 144887, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Special Conditions ("SC") No. (m) Table 7, Federal Operating Permit ("FOP") No. O3939, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 1.A and 13.C, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to conduct performance testing of a stationary combustion engine every 8,760 hours or 3 years, whichever comes first to demonstrate compliance. Specifically, performance testing for Engine C-3 should have been conducted by August 31, 2022, but was not conducted until June 24, 2024 [30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(10) and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.4243(b)(2)(ii), Standard permit Registration No. 144887, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, SC Nos. (e)(1) and (e)(3)(D), and TEX. HEALTH & SAFETY CODE § Chapter 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

a. On December 2, 2024, conducted the quarterly performance evaluation for Engine C-1 and C-3 for the third quarter of 2024; and

b. On June 24, 2024, conducted the annual performance evaluation for Engine C-3.

Technical Requirements:

N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Christina Ferrara, Enforcement Division, Enforcement Team 2, MC R-12, (512) 239-5081; Michael Parrish, Enforcement Division, MC R-12, (512) 239-2548
Respondent: Tod Stallings, Senior Director of Operations, Delaware Processing LLC, 3030 West Wall Street, Midland, Texas 79701
Respondent's Attorney: N/A

Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021) *PCW Revision February 11, 2021*

DATES						
Assigned	27-Aug-2025					
PCW	9-Jan-2026	**Screening**	5-Sep-2025	**EPA Due**		

RESPONDENT/FACILITY INFORMATION

Respondent	Delaware Processing LLC		
Reg. Ent. Ref. No.	RN107914277		
Facility/Site Region	7-Midland	**Major/Minor Source**	Major

CASE INFORMATION

Enf./Case ID No.	68564	**No. of Violations**	2
Docket No.	2025-1536-AIR-E	**Order Type**	1660
Media Program(s)	Air	**Government/Non-Profit**	No
Multi-Media		**Enf. Coordinator**	Christina Ferrara
		EC's Team	Enforcement Team 2

Admin. Penalty $ Limit Minimum $0 Maximum $25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — ***Subtotal 1*** **$15,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **2.0%** Adjustment — ***Subtotals 2, 3, & 7*** **$300**

Notes: Enhancement for one NOV with same/similar violations. Reduction for one notice of intent to conduct an audit and one disclosure of violations.

Culpability No **0.0%** Enhancement — ***Subtotal 4*** **$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments — ***Subtotal 5*** **-$3,750**

Economic Benefit **0.0%** Enhancement* — ***Subtotal 6*** **$0**

Total EB Amounts $1,050
Estimated Cost of Compliance $1,000
**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 — ***Final Subtotal*** **$11,550**

OTHER FACTORS AS JUSTICE MAY REQUIRE **9.1%** — ***Adjustment*** **$1,050**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to capture the avoided cost of compliance associated with Violation Nos. 1 and 2.

Final Penalty Amount **$12,600**

STATUTORY LIMIT ADJUSTMENT — ***Final Assessed Penalty*** **$12,600**

DEFERRAL **20.0%** Reduction — ***Adjustment*** **-$2,520**

Reduces the Final Assessed Penalty by the indicated percentage.

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **$10,080**

Screening Date 5-Sep-2025 **Docket No.** 2025-1536-AIR-E **PCW**

Respondent Delaware Processing LLC

Policy Revision 5 (January 28, 2021)

Case ID No. 68564

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN107914277

Media Air

Enf. Coordinator Christina Ferrara

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 (*number of NOVs meeting criteria*)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	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 (*number of judgments or consent decrees meeting criteria*)	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 (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	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 *(number of audits for which notices were submitted)*	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	1	-2%

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) 2%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with same/similar violations. Reduction for one notice of intent to conduct an audit and one disclosure of violations.

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

>> Final Compliance History Adjustment

Final Adjustment Percentage ****capped at 100%*** 2%

Screening Date	5-Sep-2025	**Docket No.** 2025-1536-AIR-E	**PCW**
Respondent	Delaware Processing LLC		*Policy Revision 5 (January 28, 2021)*
Case ID No.	68564		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN107914277		
Media	Air		
Enf. Coordinator	Christina Ferrara		

Violation Number 1

Rule Cite(s): 30 Tex. Admin. Code §§ 116.615(2) and 122.143(4), Standard Permit Registration No. 144887, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Special Conditions ("SC") No. (m), Table 7, Federal Operating Permit ("FOP") No. O3939, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") Nos. 1.A and 13.C, and Tex. Health & Safety Code § 382.085(b)

Violation Description: Failed to conduct a quarterly performance evaluation. Specifically, the Engine C-1 and Engine C-3 were operated for more than 1,000 hours during the third quarter of 2024, but the Respondent did not conduct the quarterly performance evaluation for the Engine C-1 and Engine C-3 for the third quarter of 2024.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential		x	

Percent 15.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment will or could be exposed to significant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $21,250

$3,750

Violation Events

Number of Violation Events: 2 — 62 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $7,500

Two quarterly events are recommended, one for each engine for the period of non-compliance from October 1, 2024 through December 2, 2024.

Good Faith Efforts to Comply

25.0% Reduction $1,875

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

Notes: The Respondent completed the corrective measures on December 2, 2024, prior to the Notice of Enforcement ("NOE") dated August 22, 2025.

Violation Subtotal $5,625

Economic Benefit (EB) for this violation

Estimated EB Amount $504

Statutory Limit Test

Violation Final Penalty Total $6,300

This violation Final Assessed Penalty (adjusted for limits) $6,300

Economic Benefit Worksheet

Respondent Delaware Processing LLC
Case ID No. 68564
Reg. Ent. Reference No. RN107914277
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0
Notes for DELAYED costs							
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	$500	30-Sep-2024	2-Dec-2024	0.17	$4	$500	$504
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs	Estimated avoided cost to conduct the quarterly performance evaluation for Engine C-1 and C-3 for the third quarter of 2024. Date Required is the last day the testing could have been conducted. Final Date is the date of compliance.						

Approx. Cost of Compliance $500

TOTAL $504

Screening Date	5-Sep-2025	**Docket No.** 2025-1536-AIR-E	**PCW**
Respondent	Delaware Processing LLC		*Policy Revision 5 (January 28, 2021)*
Case ID No.	68564		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN107914277		
Media	Air		
Enf. Coordinator	Christina Ferrara		

Violation Number 2

Rule Cite(s): 30 Tex. Admin. Code §§ 116.115(c), 116.615(10) and 122.143(4), 40 Code of Federal Regulations § 60.4243(b)(2)(ii), Standard Permit Registration No. 144887, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, SC Nos. (e)(1) and (e)(3)(D), FOP O3939, GTC and STC No. 4, and Tex. Health & Safety Code § 382.085(b)

Violation Description: Failed to conduct performance testing of a stationary combustion engine every 8,760 hours or 3 years, whichever comes first to demonstrate compliance. Specifically, performance testing for Engine C-3 should have been conducted by August 31, 2022, but was not conducted until June 24, 2024.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential		x	

Percent 15.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment will or could be exposed to significant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $21,250

$3,750

Violation Events

Number of Violation Events: 2 — 663 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	x
single event	

Violation Base Penalty $7,500

Two annual events are recommended for the period of non-compliance from August 31, 2022 through June 24, 2024.

Good Faith Efforts to Comply

25.0% Reduction $1,875

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

Notes: The Respondent completed the corrective measures on June 24, 2024, prior to the NOE dated August 22, 2025.

Violation Subtotal $5,625

Economic Benefit (EB) for this violation

Estimated EB Amount $546

Statutory Limit Test

Violation Final Penalty Total $6,300

This violation Final Assessed Penalty (adjusted for limits) $6,300

Economic Benefit Worksheet

Respondent Delaware Processing LLC
Case ID No. 68564
Reg. Ent. Reference No. RN107914277
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0
Notes for DELAYED costs							
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	$500	31-Aug-2022	24-Jun-2024	1.82	$46	$500	$546
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs	Estimated avoided cost to conduct the annual performance evaluation for Engine C-3. Date Required is the last day the testing could have been conducted. Final Date is the date annual performance testing was performed on Engine C-3.						

Approx. Cost of Compliance $500

TOTAL $546

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 CN605469956, RN107914277, Rating Year 2025 which includes Compliance History (CH) components from September 1, 2020, through August 31, 2025.

Customer, Respondent, or Owner/Operator: CN605469956, Delaware Processing LLC **Classification:** SATISFACTORY **Rating:** 0.21

Regulated Entity: RN107914277, LOBO PROCESSING PLANT **Classification:** SATISFACTORY **Rating:** 0.40

Complexity Points: 8 **Repeat Violator:** NO

CH Group: 03 - Oil and Gas Extraction

Location: FROM MENTONE TAKE HIGHWAY 302 NE FOR 6.25 MI TO SITE, LOVING COUNTY, TX

TCEQ Region: REGION 07 - MIDLAND

ID Number(s):

AIR OPERATING PERMITS PERMIT 3939
AIR NEW SOURCE PERMITS REGISTRATION 139109
AIR EMISSIONS INVENTORY ACCOUNT NUMBER LMA001A
TAX RELIEF ID NUMBER 20992
TAX RELIEF ID NUMBER 21916
AIR NEW SOURCE PERMITS REGISTRATION 144887
AIR NEW SOURCE PERMITS AFS NUM 4830100014
POLLUTION PREVENTION PLANNING ID NUMBER P11121
TAX RELIEF ID NUMBER 20265

Compliance History Period: September 01, 2020 to August 31, 2025 **Rating Year:** 2025 **Rating Date:** 09/01/2025

Date Compliance History Report Prepared: January 09, 2026

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 09, 2021 to January 09, 2026

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

Name: Christina Ferrara **Phone:** (512) 239-5081

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 20, 2021	(1699165)
Item 2	January 26, 2021	(1632719)
Item 3	February 02, 2021	(1696949)
Item 4	March 12, 2021	(1705007)
Item 5	March 20, 2021	(1705676)
Item 6	April 06, 2021	(1707238)
Item 7	June 25, 2021	(1737448)

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.

1 Date: 08/22/2025 (2064025)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter F 116.615(10)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4245(d)

Description: Failure to submit annual performance tests within 60 days after the test has been completed a violation of 30 TAC 116.615(10), 30 TAC 122.143(4), 40 CFR 60.4245(d).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter F 116.615(10)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOOa 60.5385a(a)
5C THSC Chapter 382 382.085(b)

Description: Failure to replace the reciprocating compressor rod packing on or before the compressor has operated for 26,000 hours or prior 36 months from the date of the most recent rod packing replacement a violation of 30 TAC 116.615(10), 30 TAC 122.143(4), 40 CFR 60.5385a(a), 40 CFR 60.5415a(c)(3), and THSC 382.085(b).

F. Environmental audits:

Notice of Intent Date: 02/21/2025 (2054015)

Disclosure Date: 07/10/2025

Viol. Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)

Description: Failed to prevent visible emissions from the flare for more than 5 minutes in a 2-hour period during the field visit.

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

Component Appendices

Appendix A
All NOVs Issued During Component Period 1/9/2021 and 1/9/2026

1 Date: 02/25/2022 (1782636)

Self Report? NO Classification: Minor
Citation:
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
Description: Failure to include all deviations in the SADR.

2 Date: 05/03/2024 (1967814)

Self Report? NO Classification: Moderate
Citation:
30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)
Description: Failure to report all instances of deviations, the probable cause of the deviations, and any corrective actions or preventative measures taken for each emission unit addressed in the permit in violation of 30 TAC 122.143(4), 30 TAC 122.145(2)(A), and THSC 382.085(b). According to the EIC, this is a Category B3 violation for failure to submit or maintain required data, documents, notifications, plans or reports.

Self Report? NO Classification: Moderate
Citation:
O-3939 OP
Description: Failure to conduct evaluations of engine performance quarterly in violation of Air Quality Standard Permit For Oil and Gas Handling and Production Facilities (m) Table 7. According to the EIC, this is a Category B1 violation for failure to conduct required monitoring or testing, including self-inspections where applicable.

Self Report? NO Classification: Moderate
Citation:
30 TAC Chapter 116, SubChapter F 116.615(10)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOOa 60.5385a(a)
5C THSC Chapter 382 382.085(b)
Description: Failure to replace the reciprocating compressor rod packing on or before the compressor has operated for 26,000 hours or prior to 36 months from the date of the most recent rod packing replacement in violation of 30 TAC 116.615(10), 30 TAC 122.143(4), 40 CFR 60.5385a(a), 40 CFR 60.5415a(c)(3), and THSC 382.085(b). According to the EIC, this is a Category B1 violation for failure to conduct required monitoring or testing, including self-inspections where applicable.

Self Report? NO Classification: Moderate
Citation:
30 TAC Chapter 116, SubChapter F 116.615(10)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4243(b)(2)(ii)
5C THSC Chapter 382 382.085(b)
Description: Failure to conduct subsequent performance testing every 8,760 hours or 3 years, whichever comes first in violation of 30 TAC 116.615(10), 30 TAC 122.143(4), 40 CFR 60.4243(b)(2)(ii), and THSC 382.085(b). According to the EIC, this is a Category B1 violation for failure to conduct required monitoring or testing, including self-inspections where applicable.

3 Date: 06/20/2024 (1951324)

Self Report? NO Classification: Moderate
Citation:
144887 PERMIT
30 TAC Chapter 116, SubChapter F 116.615(2)
5C THSC Chapter 382 382.085(b)
Description: Failure to prevent unauthorized emissions to the atmosphere during an emissions event that was discovered on December 15, 2023, TCEQ/STEERS

Incident No. 414251. [Category A12.i.(6)]

Self Report? NO Classification: Minor
Citation:
30 TAC Chapter 101, SubChapter F 101.201(a)(1)
5C THSC Chapter 382 382.085(b)
Description: Failure to submit a notification for a reportable emissions event within 24 hours after the discovery of the event. [Category C3]

4* Date: 08/22/2025 (2064025)

Self Report? NO Classification: Minor
Citation:
30 TAC Chapter 116, SubChapter F 116.615(10)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4245(d)
Description: Failure to submit annual performance tests within 60 days after the test has been completed a violation of 30 TAC 116.615(10), 30 TAC 122.143(4), 40 CFR 60.4245(d).

Self Report? NO Classification: Moderate
Citation:
30 TAC Chapter 116, SubChapter F 116.615(10)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOOa 60.5385a(a)
5C THSC Chapter 382 382.085(b)
Description: Failure to replace the reciprocating compressor rod packing on or before the compressor has operated for 26,000 hours or prior 36 months from the date of the most recent rod packing replacement a violation of 30 TAC 116.615(10), 30 TAC 122.143(4), 40 CFR 60.5385a(a), 40 CFR 60.5415a(c)(3), and THSC 382.085(b).

* NOVs applicable for the Compliance History rating period 9/1/2020 to 8/31/2025

Appendix B
All Investigations Conducted During Component Period January 09, 2021 and January 09, 2026

Item 1*	January 20, 2021**	(1699165)
Item 2*	January 26, 2021**	(1632719)
Item 3*	February 02, 2021**	(1696949)
Item 4*	March 12, 2021**	(1705007)
Item 5*	March 20, 2021**	(1705676)
Item 6*	April 06, 2021**	(1707238)
Item 7*	June 25, 2021**	(1737448)
Item 8	February 24, 2022**	(1782636)
Item 9	April 07, 2022**	(1805369)
Item 10*	September 29, 2022**	(1846788)
Item 11	September 18, 2023**	(1888603)
Item 12	May 03, 2024**	(1967814)
Item 13	May 10, 2024**	(1943111)
Item 14	June 17, 2024**	(1987643)
Item 15	June 20, 2024**	(1951324)
Item 16	August 22, 2025**	(2064025)

* No violations documented during this investigation
**Investigation applicable for the Compliance History Rating period between 09/01/2020 and 08/31/2025.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	**§**	**BEFORE THE**
ENFORCEMENT ACTION	**§**	
CONCERNING	**§**	**TEXAS COMMISSION ON**
DELAWARE PROCESSING LLC	**§**	
RN107914277	**§**	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2025-1536-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 Delaware Processing LLC (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates an oil and gas processing plant located approximately 6.5 miles northeast from Menton on State Highway 302, Loving 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 $12,600 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid $10,080 of the penalty and $2,520 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.

7. This Order represents the complete and fully integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.

8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.

9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant:

   a. On December 2, 2024, conducted the quarterly performance evaluation for Engine C-1 and C-3 for the third quarter of 2024; and

   b. On June 24, 2024, conducted the annual performance evaluation for Engine C-3.

II. ALLEGATIONS

During an investigation at the Plant conducted on May 19, 2025, an investigator documented that the Respondent:

1. Failed to conduct a quarterly performance evaluation, in violation of 30 TEX. ADMIN. CODE §§ 116.615(2) and 122.143(4), Standard Permit Registration No. 144887, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, Special Conditions ("SC") No. (m) Table 7, Federal Operating Permit ("FOP") No. O3939, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 1.A and 13.C, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, Engine C-1 and Engine C-3 were operated for more than 1,000 hours during the third quarter of 2024, but the Respondent did not conduct the quarterly performance evaluation for Engine C-1 and Engine C-3 for the third quarter of 2024.

2. Failed to conduct performance testing of a stationary combustion engine every 8,760 hours or 3 years, whichever comes first to demonstrate compliance, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(10) and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.4243(b)(2)(ii), Standard permit Registration No. 144887, Air Quality Standard Permit for Oil and Gas Handling and Production Facilities, SC Nos. (e)(1) and (e)(3)(D), and TEX. HEALTH & SAFETY CODE § Chapter 382.085(b). Specifically, performance testing for Engine C-3 should have been conducted by August 31, 2022, but was not conducted until June 24, 2024.

0III. 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: Delaware Processing LLC, Docket No. 2025-1536-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

Kristie Mello-Jurach 04/13/2026
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.

_____ 1/23/2026
Signature Date

Tad Stallings Sr Director of Operations
Name (Printed or typed) Title
Authorized Representative of
Delaware Processing LLC

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

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