

Executive Summary – Enforcement Matter – Case No. 47535

BELVAN CORP.

RN100214022

Docket No. 2013-1680-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

Three or more enforcement actions (NOVs, orders, etc.) over the prior five year period for the same violation(s).

Media:

AIR

Small Business:

Yes

Location(s) Where Violation(s) Occurred:

Belvan Midway Lane Gas Plant, Crockett County, approximately six miles east on State Highway 190 from the State Highway 137 and State Highway 190 intersection

Type of Operation:

Natural gas plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: March 21, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$7,938

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$7,938

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Unsatisfactory

Site/RN - Unsatisfactory

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: July 1, 2013

Date(s) of NOE(s): July 31, 2013

Executive Summary – Enforcement Matter – Case No. 47535

BELVAN CORP.

RN100214022

Docket No. 2013-1680-AIR-E

Violation Information

1. Failed to submit an initial notification for Incident No. 181272 no later than 24 hours after the discovery of the emissions event [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to prevent unauthorized emissions. Since the emissions event was reported late, the Respondent is precluded from asserting the affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(b)(2) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 9824A, Special Conditions No. 9].

3. Failed to prevent unauthorized emissions. Since the emissions event was reported late, the Respondent is precluded from asserting the affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(b)(2) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 9824A, Special Conditions No. 9].

4. Failed to prevent unauthorized emissions. Since the emissions event was reported late, the Respondent is precluded from asserting the affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(b)(2) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 9824A, Special Conditions No. 9].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

On April 5, 2013, the Respondent retrained operators on the correct environmental on-call reporting procedures.

Technical Requirements:

The Order will require the Respondent to:

a. Within 30 days, implement measures and/or procedures to prevent recurrence of emissions events due to same or similar causes as Incident Nos. 172438, 175639, and 181272; and

b. Within 45 days, submit written certification to demonstrate compliance with Ordering Provision a.

Executive Summary – Enforcement Matter – Case No. 47535

BELVAN CORP.

RN100214022

Docket No. 2013-1680-AIR-E

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Amancio R. Gutierrez, Enforcement Division,
Enforcement Team 5, MC 149, (512) 239-3921; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456

TCEQ SEP Coordinator: N/A

Respondent: Richard D. Hatchett, Vice President, BELVAN CORP., 211 North
Colorado Street, Midland, Texas 79701

J.L. Davis, President, BELVAN CORP., 211 North Colorado Street, Midland, Texas 79701

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	5-Aug-2013	Screening	30-Aug-2013	EPA Due	
	PCW	30-Aug-2013				

RESPONDENT/FACILITY INFORMATION

Respondent	BELVAN CORP.		
Reg. Ent. Ref. No.	RN100214022		
Facility/Site Region	8-San Angelo	Major/Minor Source	Minor

CASE INFORMATION

Enf./Case ID No.	47535	No. of Violations	4
Docket No.	2013-1680-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Amancio R. Gutierrez
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$4,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$4,000**

Notes: Enhancement for three NOVs with same or similar violations, one order containing a denial of liability, four orders without a denial of liability, four criminal convictions, repeat violator status, and unsatisfactory performer classification.

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** **\$62**

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

Total EB Amounts	\$1,073	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$15,500	

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$7,938**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: [Empty box]

Final Penalty Amount **\$7,938**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$7,938**

DEFERRAL **0.0%** Reduction **Adjustment** **\$0**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: No deferral is recommended for Findings Orders.

PAYABLE PENALTY **\$7,938**

Screening Date 30-Aug-2013

Docket No. 2013-1680-AIR-E

PCW

Respondent BELVAN CORP.

Policy Revision 3 (September 2011)

Case ID No. 47535

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100214022

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	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>)	3	15%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	4	100%
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 judgements 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>)	4	200%
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%
<i>Please Enter Yes or No</i>			
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) 335%

>> Repeat Violator (Subtotal 3)

Yes

Adjustment Percentage (Subtotal 3) 25%

>> Compliance History Person Classification (Subtotal 7)

Unsatisfactory Performer

Adjustment Percentage (Subtotal 7) 10%

>> Compliance History Summary

Compliance History Notes

Enhancement for three NOVs with same or similar violations, one order containing a denial of liability, four orders without a denial of liability, four criminal convictions, repeat violator status, and unsatisfactory performer classification.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 370%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 30-Aug-2013

Docket No. 2013-1680-AIR-E

PCW

Respondent BELVAN CORP.

Policy Revision 3 (September 2011)

Case ID No. 47535

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100214022

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit an initial notification for Incident No. 181272 no later than 24 hours after the discovery of the emissions event. Specifically, the emissions event began on April 3, 2013 at 11:45 a.m., but the initial notification was not submitted until April 4, 2013 at 6:25 p.m.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual					0.0%
Potential					

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
				X	1.0%
Less than 30% of the rule requirements were not met.					

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction \$62

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes The Respondent completed corrective measures on April 5, 2013, before the July 31, 2013 NOE.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$438

This violation Final Assessed Penalty (adjusted for limits) \$438

Economic Benefit Worksheet

Respondent BELVAN CORP.
Case ID No. 47535
Reg. Ent. Reference No. RN100214022
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

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	4-Apr-2013	5-Apr-2013	0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to retrain operators on the correct environmental on-call reporting procedures. The Date Required is the date the notification was due and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] 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 [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$0

Screening Date 30-Aug-2013

Docket No. 2013-1680-AIR-E

PCW

Respondent BELVAN CORP.

Policy Revision 3 (September 2011)

Case ID No. 47535

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100214022

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2) and (c), Tex. Health & Safety Code § 382.085(b), and New Source Review ("NSR") Permit No. 9824A, Special Conditions ("SC") No. 9

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 3.1 pounds ("lbs") of carbon monoxide ("CO"), 14.4 lbs of hydrogen sulfide ("H2S"), 0.4 lb of nitrogen oxides ("NOx"), 1,325 lbs of sulfur dioxide ("SO2"), and 0.7 lb of volatile organic compounds ("VOC") from the Emergency Flare, Emission Point Number ("EPN") 1 and released 201 lbs of CO, 5.6 lbs of H2S, 100.7 lbs of NOx, 523.1 lbs of SO2, and 99.8 lbs of VOC from the Process Flare, EPN 2, during an emissions event (Incident No. 181272) that began on April 3, 2013 and lasted for 25 hours and 30 minutes. The event occurred when the site experienced loss of third party electrical power, resulting in flaring until power was restored. Since the emissions event was reported late, the Respondent is precluded from asserting the affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 5.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

Adjustment \$23,750

\$1,250

Violation Events

Number of Violation Events 1

2 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$1,250

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

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

Violation Subtotal \$1,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$271

Violation Final Penalty Total \$2,500

This violation Final Assessed Penalty (adjusted for limits) \$2,500

Economic Benefit Worksheet

Respondent BELVAN CORP.

Case ID No. 47535

Reg. Ent. Reference No. RN100214022

Media Air

Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	3-Apr-2013	3-May-2014	1.08	\$271	n/a	\$271

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to prevent recurrence of emissions events due to same or similar causes as Incident No. 181272. The Date Required is the date the emissions event began and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] 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 [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$5,000

TOTAL \$271

Screening Date 30-Aug-2013
Respondent BELVAN CORP.
Case ID No. 47535
Reg. Ent. Reference No. RN100214022
Media [Statute] Air
Enf. Coordinator Amancio R. Gutierrez

Docket No. 2013-1680-AIR-E

PCW

Policy Revision 3 (September 2011)
 PCW Revision August 3, 2011

Violation Number
Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2) and (c), Tex. Health & Safety Code § 382.085(b), and NSR Permit No. 9824A, SC No. 9
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 250.2 lbs of CO, 6.6 lbs of H2S, 31.3 lbs of NOx, 622 lbs of SO2, and 140.6 lbs of VOC from the Emergency Flare, EPN 1, during an emissions event (Incident No. 172438) that began on August 17, 2012 and lasted for 29 hours. The event occurred when the Respondent flared inlet gas as a result of an unplanned shutdown of a third-party facility. Since the emissions event was reported late, the Respondent is precluded from asserting the affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="5.0%"/>
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 which do 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

mark only one with an x	daily	<input type="text"/>
	weekly	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input checked="" type="checkbox"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>

Violation Base Penalty

Good Faith Efforts to Comply

Reduction

	Before NOV	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"/>	(mark with x)

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 BELVAN CORP.
Case ID No. 47535
Reg. Ent. Reference No. RN100214022
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	17-Aug-2012	3-May-2014	1.71	\$427	n/a	\$427

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to prevent recurrence of emissions events due to same or similar causes as Incident No. 172438. The Date Required is the date the emissions event began and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] 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 [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$427

Screening Date 30-Aug-2013

Docket No. 2013-1680-AIR-E

PCW

Respondent BELVAN CORP.

Policy Revision 3 (September 2011)

Case ID No. 47535

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100214022

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2) and (c), Tex. Health & Safety Code § 382.085(b), and NSR Permit No. 9824A, SC No. 9

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 1.8 lbs of CO, 9.1 lbs of H2S, 0.3 lb of NOx, 856 lbs of SO2, and 0.2 lb of VOC from the Emergency Flare, EPN 1, during an emissions event (Incident No. 175639) that began on November 1, 2012 and lasted for 3 hours and 15 minutes. The event occurred when the Respondent flared acid gas as a result of an unplanned shutdown of a third-party facility. Since the emissions event was reported late, the Respondent is precluded from asserting the affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	5.0%
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 which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$23,750

\$1,250

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$1,250

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

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

Violation Subtotal \$1,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$375

Violation Final Penalty Total \$2,500

This violation Final Assessed Penalty (adjusted for limits) \$2,500

Economic Benefit Worksheet

Respondent BELVAN CORP.
Case ID No. 47535
Reg. Ent. Reference No. RN100214022
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	No commas or \$						

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	1-Nov-2012	3-May-2014	1.50	\$375	n/a	\$375

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to prevent recurrence of emissions events due to same or similar causes as Incident No. 175639. The Date Required is the date of the emissions event and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] 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 [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$375



Compliance History Report

PUBLISHED Compliance History Report for CN600127187, RN100214022, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN600127187, BELVAN CORP. **Classification:** UNSATISFACTORY **Rating:** 143.37

Regulated Entity: RN100214022, BELVAN MIDWAY LANE GAS PLANT **Classification:** UNSATISFACTORY **Rating:** 143.37

Complexity Points: 12 **Repeat Violator:** YES

CH Group: 03 - Oil and Gas Extraction

Location: APPROXIMATELY 6 MILES EAST ON STATE HIGHWAY 190 FROM THE STATE HIGHWAY 137 AND STATE HIGHWAY 190 INTERSECTION, CROCKETT COUNTY, TEXAS

TCEQ Region: REGION 08 - SAN ANGELO

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER CZ0006F **AIR OPERATING PERMITS** PERMIT 3149

AIR OPERATING PERMITS PERMIT 3149 **AIR NEW SOURCE PERMITS** PERMIT 9824A

AIR NEW SOURCE PERMITS ACCOUNT NUMBER CZ0006F **AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX749

AIR NEW SOURCE PERMITS AFS NUM 4810500006 **AIR EMISSIONS INVENTORY** ACCOUNT NUMBER CZ0006F

AIR QUALITY NON PERMITTED ID NUMBER LGL100214022

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: November 21, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: November 21, 2008 to November 21, 2013

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

Name: Amancio R. Gutierrez **Phone:** (512) 239-3921

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
- 3) If YES for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

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

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

1 Effective Date: 03/23/2009 ADMINORDER 2008-1389-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP No. O-00326, Condition (b)(8) ORDER

Permit No. 9824A, Special Condition 2 PERMIT

Permit No. 9824A, Special Condition 3 PERMIT

Permit No. 9824A, Special Condition 6 PERMIT

Permit No. 9824A, Special Condition 7 PERMIT

Description: Failed to maintain records.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(f)(2)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit No. 9824A, Special Condition 5 PERMIT

Description: Failed to monitor the pilot flame of the emergency flare, EPN 1, with a thermocouple or infrared monitor.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Permit No. 9824A, General Condition 8 PERMIT

Description: Failed to prevent unauthorized emissions. Since this emissions event was avoidable and determined to be excessive, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present and affirmative defense were not met.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)
5C THSC Chapter 382 382.085(b)

Description: Failed to report a reportable emissions event within 24 hours after the discovery of the event (Incident No. 111569).

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP No. O-00326 PERMIT

Description: Failed to report deviations.

2 Effective Date: 10/25/2010 ADMINORDER 2009-1490-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Condition 8 PERMIT

Description: Failure to prevent the release of unauthorized air emissions

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)
5C THSC Chapter 382 382.085(b)

Description: Failure to notify the TCEQ of a reportable emissions event within 24 hours after the discovery of the event

3 Effective Date: 02/20/2011 ADMINORDER 2010-1038-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Major

Citation: 30 TAC Chapter 101, SubChapter F 101.223(a)(1)(D)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: CAP Provision 2. EECAP

Docket No. 2008-1389-AIR-E, Prov. 2.d. ORDER

Description: Failure to implement all components of the CAP within the specified timeframe.

4 Effective Date: 05/22/2011 ADMINORDER 2010-1453-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT LLL 60.642(b)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: (b)(7)(B) OP

Special Condition 1B PERMIT

Special Condition No. 10 PERMIT

Special Condition No. 7 PERMIT

Description: Failure to maintain a minimum sulfur recovery efficiency of 96% is an alleged violation of 30 TAC §116.115(c), Permit No. 9824A, Special Condition No. 7, GOP No. O-00326, Special Condition (b)(7)(B), and 5C THSC §382.085(b).

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(C)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: (b)(2) OP

Description: Failure to report all instances of deviation within 30 days of the end of the compliance period is an alleged violation of 30 TAC §122.145(2)(c), GOP No O-00326, Special Condition (b)(2), and 5C THSC §382.085(b).

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(c)
5C THSC Chapter 382 382.085(b)

Description: Failure to submit the final record within 2 weeks after the end of the emissions event, in violation of 30 TAC §101.201(c) and 5 THSC §382.085(b).

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition No. 10 PERMIT

Description: Failure to prevent the unauthorized emissions from the process flare (EPN: 2), in violation of 30 TAC §116.115(c), Permit No. 9824A, Special Condition No. 10, and 5 THSC 382.085(b).

B. Criminal convictions:

- 1 Conviction Date: 01/18/2012 Type of Action: COURTORDER
Classification: Moderate
Rqmt Prov:
Citation: 42 USC Chapter 85 Subchapter I 85.7413(c)(4)
Description: On January 18, 2012, Robert Mark Stewart, Environmental Coordinator of Belvan Corp., pleaded guilty to 1 misdemeanor count of Negligent Endangerment under the Clean Air Act, 42 USC § 7413(c)(4), and Aiding and Abetting, 18 USC § 2. Case No. 6:12-CR-002
- 2 Conviction Date: 01/18/2012 Type of Action: COURTORDER
Classification: Moderate
Rqmt Prov:
Citation: 42 USC Chapter 85 Subchapter I 85.7413(c)(4)
Description: On January 18, 2012, Daniel Valmer Meacham, Operations Supervisor of Belvan Corp., pleaded guilty to 1 misdemeanor count of Negligent Endangerment under the Clean Air Act, 42 USC § 7413(c)(4), and Aiding and Abetting, 18 USC § 2. Case No. 6:12-CR-003-C.
- 3 Conviction Date: 01/18/2012 Type of Action: COURTORDER
Classification: Moderate
Rqmt Prov:
Citation: 42 USC Chapter 85 Subchapter I 85.7413(c)(4)
Description: On January 18, 2012, Michael Davis, Vice President of Engineering and Operations of Belvan Corp., pleaded guilty to one misdemeanor count of Negligent Endangerment under the Clean Air Act, 42 USC § 7413(c)(4), and Aiding and Abetting, 18 USC § 2. Case No. 6:12 CR-001-C.
- 4 Conviction Date: 03/23/2012 Type of Action: COURTORDER
Classification: Major
Rqmt Prov:
Citation: 42 USC Chapter 85 Subchapter I 85.7413(c)(2)(B)
Description: On December 22, 2011, Belvan Corp pleaded guilty to 1 felony count of violating the Clean Air Act, 42 USC § 7412(c)(2)(B), Failure to Notify or Report under the Clean Air Act, 42 USC § 7413(c)(2)(B), and Aiding and Abetting, 18 USC § 2.

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CEEDS Inv. Track. No.):

Item 1	October 19, 2009	(779339)
Item 2	October 30, 2009	(780180)
Item 3	November 18, 2009	(782564)
Item 4	December 28, 2009	(786361)
Item 5	March 11, 2010	(794694)
Item 6	April 05, 2010	(796601)
Item 7	January 27, 2011	(886935)
Item 8	January 28, 2011	(893121)
Item 9	March 28, 2011	(906993)
Item 10	March 31, 2011	(893748)
Item 11	May 04, 2011	(914086)

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
BELVAN CORP.
RN100214022**

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

**AGREED ORDER
DOCKET NO. 2013-1680-AIR-E**

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding BELVAN CORP. ("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 presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a natural gas plant located approximately six miles east on State Highway 190 from the State Highway 137 and State Highway 190 intersection in Crockett County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During a record review conducted on July 1, 2013, TCEQ staff documented that the emissions event (Incident No. 181272) began on April 3, 2013 at 11:45 a.m., but the initial notification was not submitted until April 4, 2013 at 6:25 p.m.
4. During a record review conducted on July 1, 2013, TCEQ staff documented that the Respondent released 3.1 pounds ("lbs") of carbon monoxide ("CO"), 14.4 lbs of hydrogen sulfide ("H₂S"), 0.4 lb of nitrogen oxides ("NO_x"), 1,325 lbs of sulfur dioxide ("SO₂"), and 0.7 lb of volatile organic compounds ("VOC") from the Emergency Flare, Emission Point Number ("EPN") 1 and released 201 lbs of CO, 5.6 lbs of H₂S, 100.7 lbs of NO_x, 523.1 lbs of SO₂, and 99.8 lbs of VOC from the Process Flare, EPN 2, during an emissions event (Incident No. 181272) that began on April 3, 2013 and lasted for 25 hours and 30 minutes. The event occurred when the site experienced loss of third party electrical power, resulting in flaring until power was restored. The TCEQ determined that this event was reported late.
5. During a record review conducted on July 1, 2013, TCEQ staff documented that the Respondent released 250.2 lbs of CO, 6.6 lbs of H₂S, 31.3 lbs of NO_x, 622 lbs of SO₂, and 140.6 lbs of VOC from the Emergency Flare, EPN 1, during an emissions event (Incident No. 172438) that began on August 17, 2012 and lasted for 29 hours. The event occurred when the Respondent flared inlet gas as a result of an unplanned shutdown of a third-party facility. The TCEQ determined that this event was reported late.
6. During a record review conducted on July 1, 2013, TCEQ staff documented that the Respondent released 1.8 lbs of CO, 9.1 lbs of H₂S, 0.3 lb of NO_x, 856 lbs of SO₂, and 0.2 lb of VOC from the Emergency Flare, EPN 1, during an emissions event (Incident No. 175639) that began on November 1, 2012 and lasted for 3 hours and 15 minutes. The event occurred when the Respondent flared acid gas as a result of an unplanned shutdown of a third-party facility. The TCEQ determined that this event was reported late.
7. The Respondent received notice of the violations on August 2, 2013.
8. The Executive Director recognizes that on April 5, 2013, the Respondent retrained operators on the correct environmental on-call reporting procedures.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to submit an initial notification for Incident No. 181272 no later than 24 hours after the discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b).
3. As evidenced by Findings of Fact No. 4, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 9824A, Special Conditions No. 9. Since the emissions event was reported late, the Respondent is precluded from asserting the affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
4. As evidenced by Findings of Fact No. 5, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 9824A, Special Conditions No. 9. Since the emissions event was reported late, the Respondent is precluded from asserting the affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
5. As evidenced by Findings of Fact No. 6, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 9824A, Special Conditions No. 9. Since the emissions event was reported late, the Respondent is precluded from asserting the affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
6. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
7. An administrative penalty in the amount of Seven Thousand Nine Hundred Thirty-Eight Dollars (\$7,938) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid the Seven Thousand Nine Hundred Thirty-Eight Dollar (\$7,938) administrative penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Seven Thousand Nine Hundred Thirty-Eight Dollars (\$7,938) as set forth in Section II, Paragraph 7 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: BELVAN CORP., Docket No. 2013-1680-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement measures and/or procedures to prevent recurrence of emissions events due to same or similar causes as Incident Nos. 172438, 175639, and 181272; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and 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:

Order Compliance Team
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 Angelo Regional Office
Texas Commission on Environmental Quality
622 South Oakes, Suite K
San Angelo, Texas 76903-7013

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
7. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

8. This Agreed 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 Agreed 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.
9. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed 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 Agreed 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.
10. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Pamela Norwin J
For the Executive Director

5/2/14
Date

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

I understand that by entering into this Agreed Order, BELVAN CORP. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

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 Attorney General's Office 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 Attorney General's Office 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.

R. D. Hatchett
Signature

2-24-14
Date

Richard D. Hatchett
Name (Printed or typed)
Authorized Representative of
BELVAN CORP.

Vice-President
Title

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