

**OIL & GAS DOCKET NO. 08-0304808
ENFORCEMENT ACTION AGAINST MARTIN COUNTY ENVIRONMENTAL LLC
(OPERATOR NO. 583479) FOR VIOLATIONS OF PERMIT CONDITIONS AND
STATEWIDE RULES AT THE MARTIN COUNTY ENVIRONMENTAL, LLC
RECLAMATION FACILITY (PERMIT NO. R9 08-1420), MARTIN COUNTY, TEXAS**

STIPULATION, AGREED SETTLEMENT, AND CONSENT ORDER

On this day, the above-entitled and numbered docket came on for consideration by the Railroad Commission of Texas ("Commission"). The Commission and Martin County Environmental LLC ("Respondent") have agreed to an informal disposition of the matters under this docket through this Stipulation, Agreed Settlement, and Consent Order ("Order"). The Commission has authority to informally dispose of this contested case docket through a consent order pursuant to Tex. Gov't Code Ann. § 2001.056(3).

IN COMPROMISE AND SETTLEMENT OF THIS DOCKET, the Commission and Respondent do hereby agree and stipulate as follows:

1. Respondent was the person responsible for the captioned facility under Tex. Nat. Res. Code Ann. § 91.113.
2. Respondent was the operator of the captioned facility under 16 Tex. Admin. Code § 3.57.
3. Respondent designated itself as the operator of the Martin County Environmental, LLC Reclamation Facility (Permit No. R9 08-1420), by submitting a Commission Form R-9 (Application for Permit to Operate Reclamation Plant), submitted December 19, 2014, approved and issued November 3, 2015.
4. The Commission and Respondent agree that the alleged violations of Statewide Rules 8(d)(1), 57, 78(l)(1)(A)(i), and Tex. Nat. Res. Code Ann. §§ 91.114(a)(2) and 91.143, as set forth in Oil & Gas Docket No. 08-0304808, are hereby settled and compromised under the terms of this Order. This Order resolves all alleged violations that were pled in the First Amended Complaint in Oil & Gas Docket No. 08-0304808 and affects no other matters.
5. The alleged violations by Respondent constitute alleged violations of the provisions of Chapter 81 of the Texas Natural Resources Code which pertain to safety or the prevention or control of pollution, or constitute alleged violations of the provisions of a rule, license, permit or certificate which pertain to safety or the prevention or control of pollution, and which were issued under Chapter 81 of the Texas Natural Resources Code.

6. Respondent makes no admission of any alleged violations, but wishes to address the Commission's concerns under the terms of this Order.
7. The Commission wishes to further the goals of safety and the prevention and control of pollution within the State of Texas.
8. The Commission has considered any history of previous violations under Title Three of the Texas Natural Resources Code by Respondent, the seriousness of the alleged violation(s), any hazard to the health or safety of the public, and any demonstration of good faith by Respondent, and has determined that the facts of this case warrant an informal disposition of the Commission's concerns under the terms of this Order.
9. The Commission has jurisdiction to assess an administrative penalty against Respondent pursuant to Tex. Nat. Res. Code Ann. § 81.0531.
10. To the extent possible the alleged violations, as set forth in Oil & Gas Docket No. 08-0304808, have been placed into compliance by Respondent with the requirements of Tex. Nat. Res. Code Ann. § 81.052 and 16 TEX. ADMIN. CODE §§ 3.8(d)(1), 3.57, 3.78(l)(1)(A)(i), and Tex. Nat. Res. Code Ann. §§ 91.114(a)(2) and 91.143.
11. Technical Permitting Division shall promptly approve and issue amended Permit No. R9 08-1420, as revised and updated in a manner already agreed to by Technical Permitting and Respondent as of the date of this Order.
12. An administrative settlement penalty in the amount of Fifty Thousand Dollars (\$50,000) shall be recovered by the Commission for the alleged violations asserted against Respondent as the operator and the person responsible for the captioned facility.
13. Respondent will place into the possession of, or will cause to be placed into the possession of the Commission, funds in the amount of Fifty Thousand Dollars (\$50,000) as payment of administrative settlement penalties assessed in Oil & Gas Docket No. 08-0304808 within thirty (30) days of Commission approval of the Order. Should Respondent fail to place or cause to be placed said funds into the possession of the Commission within thirty (30) days of Commission approval of the Order, the Order is VOID and Oil & Gas Docket No. 08-0304808 is REVIVED.
14. On May 10, 2018, Respondent filed an Original Petition and Request for Permanent Injunction in cause number D-1-GN-18-002289 in Travis County District Court against the Commission and Wei Wang, in his official capacity as Executive Director of the Commission (herein, the "Travis County Litigation"). Respondent agrees to nonsuit with prejudice all claims filed against the Commission and Wei Wang, in his official capacity as Executive Director of the Commission, in the Travis County Litigation. Respondent agrees to file with the Travis County District Court a notice nonsuiting the

Travis County Litigation and a proposed order of nonsuit within three (3) days of the Commission approving this Order. Respondent agrees to confer with the Commission's counsel in the Travis County Litigation and obtain their approval of the substance and form of the notice of nonsuit and proposed order prior to filing with the court. In addition to filing the documents with the court within the three (3) day timeframe, Respondent must also submit the notice of nonsuit and proposed order to the Staff Attorney and Court Coordinator of the judge assigned to the Travis County Litigation and request that the judge sign the proposed order of nonsuit.

Jurisdiction of the Commission over this docket having been established and based upon the agreement of the Commission and Respondent it is, therefore, ORDERED by the Railroad Commission of Texas that Martin County Environmental LLC is assessed administrative penalties in the amount of Fifty Thousand Dollars (\$50,000) and that Oil & Gas Docket No. 08-0304808 is informally disposed by this Order and closed. All relief not granted in this Order is DENIED.

APPROVED AS TO FORM AND SUBSTANCE:



(Signature)

Name: Jay B. Stewart

As: Attorney for Respondent, Martin County Environmental LLC

Signed on February 5, 2019.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by
Hearings Division's Unprotected Master
Order dated February 5, 2019)