

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER** Page 1 of 2  
**DOCKET NO.:** 2007-0149-AIR-E **TCEQ ID:** RN102584026 **CASE NO.:** 32479  
**RESPONDENT NAME:** The Premcor Refining Group Inc.

<b>ORDER TYPE:</b>		
<input type="checkbox"/> 1660 AGREED ORDER	<input checked="" type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p><b>SITE WHERE VIOLATION(S) OCCURRED:</b> Premcor Refining Port Arthur Refinery, 1801 Gulfway Drive, Port Arthur, Jefferson County</p> <p><b>TYPE OF OPERATION:</b> Petroleum refinery</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> A complaint was received October 18, 2006, alleging an out of control flare that was impacting the Port Arthur area. There are four pending enforcement actions regarding this facility location, Docket Nos. 2006-0738-AIR-E, 2007-0385-AIR-E, 2007-0956-AIR-E, and 2007-1358-AIR-E.</p> <p><b>INTERESTED PARTIES:</b> A complaint was received, but the complainant has not expressed a desire to protest this action or to speak at Agenda.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on August 27, 2007. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768  <b>TCEQ Enforcement Coordinator:</b> Mr. Daniel Siringi, Enforcement Division, Enforcement Team 5, MC R-10, (409) 899-8799;  Mr. David Van Soest, Enforcement Division, MC 219, (512) 239-0468  <b>Respondent:</b> Mr. Jim Gillingham, Regional Operations Vice President, The Premcor Refining Group Inc., 1801 Gulfway Drive, Port Arthur, Texas 77640  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input checked="" type="checkbox"/> Complaint  <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> October 18, 2006</p> <p><b>Date of Investigation Relating to this Case:</b> November 15, December 21, October 18, and September 20, 2006</p> <p><b>Date of NOE Relating to this Case:</b> January 25, 2007 (NOE)</p> <p><b>Background Facts:</b> This was a complaint investigation. Six violations were documented.</p> <p><b>AIR</b></p> <p>Failed to prevent unauthorized emissions. Since the emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222. Specifically, the Respondent failed to prevent unauthorized emissions on September 6 through 7, October 10 and 18, and November 6, 12, and 15, 2006 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4), Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$64,625</p> <p><b>Total Deferred:</b> \$0  <input type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$32,312</p> <p><b>Total Paid to General Revenue:</b> \$32,313</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p> <p><b>Findings Orders Justification:</b> This is a Findings Order because environmental receptors have been exposed to pollutants which exceed levels that are protective, and unauthorized emissions which are excessive emissions events.</p>	<p><b>Ordering Provisions:</b></p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A).</p> <p>2) The Order will also require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Implement training related to the proper monitoring of the D-2200 Coke drum to avoid leftover coke causing excess foaming in the unit;</p> <p>ii. Implement training and/or procedural changes for operating the T-2400 absorber Stripper and the Amine regeneration system to ensure no reduction in the flow rate occurs without reducing the Plant's steam rates;</p> <p>iii. Implement training and/or procedural changes for the Amine Treating Unit 7842 to ensure proper checks are accomplished prior to startup; and</p> <p>iv. Implement training to ensure proper operations and maintenance of AVU 146, 10 Heaters, 6 Flares, 1 Wet Gas Scrubber and Flare 23.</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification including detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision 2.a.i through 2.a.iv.</p>

**Attachment A**  
**Docket Number: 2007-0149-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** The Premcor Refining Group Inc.  
**Payable Penalty Amount:** Sixty-Four Thousand Six Hundred Twenty-Five Dollars  
(\$64,625)  
**SEP Amount:** Thirty-Two Thousand Three Hundred Twelve Dollars  
(\$32,312)  
**Type of SEP:** Pre-approved  
**Third-Party Recipient:** South East Texas Regional Planning Commission-West Port  
Arthur Home Energy Efficiency Program  
**Location of SEP:** Jefferson County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

A. Project

The Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to conduct home energy audits and to assist low income residents in the West Port Arthur area by weatherizing their homes which will improve their homes' energy efficiency. SEP monies will be used to pay for the cost of caulking and insulating homes, replacing heating and cooling systems and major appliances with new, energy efficient equipment.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and nitrogen oxides associated with the combustion of fuel and generation of electricity. Additionally, the improvements will improve homes as shelters for responding to emergency releases.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.



The Premcor Refining Group Inc.  
Agreed Order – Attachment A

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

South East Texas Regional Planning Commission  
Transportation and Environmental Resources  
Bob Dickenson, Director  
2210 Eastex Freeway  
Beaumont, Texas 77703

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division  
Attention: SEP Coordinator, MC 219  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality  
Financial Administration Division, Revenues  
Attention: Cashier, MC 214  
P.O. Box 13088  
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.



The Premcor Refining Group Inc.  
Agreed Order – Attachment A

**5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision December 8, 2006

<b>DATES</b>	Assigned	29-Jan-2007	Screening	30-Jan-2007	EPA Due	27-Oct-2007
	PCW	29-May-2007				

<b>RESPONDENT/FACILITY INFORMATION</b>			
Respondent	The Premcor Refining Group Inc.		
Reg. Ent. Ref. No.	RN102584026		
Facility/Site Region	10-Beaumont	Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	32479	No. of Violations	6
Docket No.	2007-0149-AIR-E	Order Type	Findings
Media Program(s)	Air Quality	Enf. Coordinator	Daniel Siringi
Multi-Media		EC's Team	Enforcement Team 6
Admin. Penalty \$	Limit Minimum	\$0	Maximum
			\$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

**Compliance History**  Enhancement **Subtotals 2, 3, & 7**

Notes: Enhancement for three (3) orders with denial of liability, six (6) NOV's with same or similar violations, six (6) NOV's without same or similar violations in the past five years at this plant. Reduction for participating in a voluntary pollution reduction program.

**Culpability**   Enhancement **Subtotal 4**

Notes: Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply**  Reduction **Subtotal 5**

	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: The Respondent does not meet the good faith criteria.

**Total EB Amounts**  **Subtotal 6**   
**Approx. Cost of Compliance**  **\*Capped at the Total EB \$ Amount**

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes:

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction **Adjustment**

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**

Screening Date 30-Jan-2007

Docket No. 2007-0149-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 2 (September 2002)

Case ID No. 32479

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN102584026

Media [Statute] Air Quality

Enf. Coordinator Daniel Siringi

### Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOV's with same or similar violations as those in the current enforcement action (number of NOV's meeting criteria)	6	30%
	Other written NOV's	6	12%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	3	60%
	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)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
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	Yes	-5%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 97%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for three (3) orders with denial of liability, six (6) NOV's with same or similar violations, six (6) NOV's without same or similar violations in the past five years at this plant. Reduction for participating in a voluntary pollution reduction program.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 97%

Screening Date 30-Jan-2007

Docket No. 2007-0149-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 2 (September 2002)

Case ID No. 32479

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN102584026

Media [Statute] Air Quality

Enf. Coordinator Daniel Siringi

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4) Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and Texas Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, on October 10, 2006, 0.58 pounds (lbs) of Sulfur Dioxide (SO2), 194.66 lbs of Nitrogen Oxides (NOx), 1,405.94 lbs of Carbon Monoxide (CO), 4.92 lbs Butane, 14.23 lbs Butene, 29.49 lbs of Isobutane, 2,591.73 lbs of Propane, 1,021.33 lbs Propylene and 88.18 lbs of Particulate Matter (PM) were released from Flare 23 for 17 hours (hrs) 45 minutes (min). Since the emissions event was avoidable, Premcor failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1

1 Number of violation days

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

Violation Base Penalty \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$133

Violation Final Penalty Total \$9,850

This violation Final Assessed Penalty (adjusted for limits) \$9,850

## Economic Benefit Worksheet

**Respondent** The Premcor Refining Group Inc.  
**Case ID No.** 32479  
**Reg. Ent. Reference No.** RN102584026  
**Media** Air Quality  
**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
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No commas or \$

**Delayed Costs**

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$2,500	10-Oct-2006	3-Nov-2007	1.1	\$133	n/a	\$133
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost of training operators on the operation of D-2200 Coke Drum to avoid leftover coke causing excess foaming. Date required is the date of the emission event and the final date is the date the respondent is expected to complete all corrective actions.

**Avoided Costs**

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$2,500

**TOTAL** \$133

Screening Date 30-Jan-2007

Docket No. 2007-0149-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 2 (September 2002)

Case ID No. 32479

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN102584026

Media [Statute] Air Quality

Enf. Coordinator Daniel Siringi

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4) Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and Texas Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, on November 12, 2006 for 23 hrs 31 min, a total of 12,599.33 lbs of SO2, 53.49 lbs of NOx, 458.85 lbs of CO, 120.08 lbs Hydrogen Sulphide (H2S), 0.01 lbs of Isobutane, 0.02 lbs of Propane, 1,021.33 lbs of Propylene and 4.82 lbs of PM were released from Flare 05, Scot Incinerators I, II and III. Since the emissions event was avoidable, Premcor failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1

1 Number of violation days

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

Violation Base Penalty \$10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$73

Violation Final Penalty Total \$19,700

This violation Final Assessed Penalty (adjusted for limits) \$10,000

## Economic Benefit Worksheet

**Respondent** The Premcor Refining Group Inc.  
**Case ID No.** 32479  
**Reg. Ent. Reference No.** RN102584026  
**Media** Air Quality  
**Violation No.** 2

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$1,500	12-Nov-2006	3-Nov-2007	1.0	\$73	n/a	\$73
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost of training and/or procedural changes for operating the T-2400 Absorber regeneration system to ensure no reduction in the flow rate occurs without reducing the Plant's steam rate. Date required is the date of the emissions event and the final date is the date the respondent is expected to complete all corrective actions.

**Avoided Costs**

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$1,500	<b>TOTAL</b>	\$73
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Screening Date 30-Jan-2007

Docket No. 2007-0149-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 2 (September 2002)

Case ID No. 32479

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN102584026

Media [Statute] Air Quality

Enf. Coordinator Daniel Siringi

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4) Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and Texas Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, on November 6, 2006 for 1 hr 16 min, 8,868.21 lbs of SO2, 1.66 lbs of NOx, 11.98 lbs of CO, 96.36 lbs H2S and 2.87 lbs PM were released from Flare 23 which were routed from Amine Treating Unit 7842. Since the emissions event was avoidable, Premcor failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		X	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1

1 Number of violation days

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

Violation Base Penalty \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$50

Violation Final Penalty Total \$9,850

This violation Final Assessed Penalty (adjusted for limits) \$9,850

## Economic Benefit Worksheet

**Respondent** The Premcor Refining Group Inc.  
**Case ID No.** 32479  
**Reg. Ent. Reference No.** RN102584026  
**Media** Air Quality  
**Violation No.** 3

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$1,000	6-Nov-2006	3-Nov-2007	1.0	\$50	n/a	\$50
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost of training and procedural changes for the startup and shutdown of the Amine Treating Unit ("ATU") 7842. Date required is the date of the emissions event and final date is the Respondent is expected to complete all corrective actions.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

**TOTAL**

\$50

Screening Date 30-Jan-2007

Docket No. 2007-0149-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 2 (September 2002)

Case ID No. 32479

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN102584026

Media [Statute] Air Quality

Enf. Coordinator Daniel Siringi

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4) Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and Texas Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, on November 15, 2006 for 1 hr 36 min, 1,532.24 lbs of SO2, 1.34 lbs of NOx, 9.68 lbs of CO, 16.65 lbs of H2S, 0.07 lbs of PM, 2.13 lbs of Butane, 1.84 lbs of Butene, 0.41 lbs of Ethylene, 0.36 lbs of Isobutane, 0.53 lbs of Isopentane, 1.02 lbs of Pentane, 3.49 lbs of Propane, 1.48 lbs of Propylene and 0.83 lbs of VOCs were released from Flare 19 when two compressors at Atmospheric & Vacuum Unit (AVU) 146 tripped off due to low water seal pressure. Since the emissions event was avoidable, Premcor failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222..

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 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 \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$206

Violation Final Penalty Total \$4,925

This violation Final Assessed Penalty (adjusted for limits) \$4,925

## Economic Benefit Worksheet

**Respondent** The Premcor Refining Group Inc.  
**Case ID No.** 32479  
**Reg. Ent. Reference No.** RN102584026  
**Media** Air Quality  
**Violation No.** 4

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$3,600	11-Sep-2006	3-Nov-2007	1.1	\$206	n/a	\$206
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost of training personnel on the proper operations and maintenance of AVU-146. Date required is the date of the first emissions event related to AVU 146 maintenance and the final date is the date the respondent is expected to complete all corrective actions.

### Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$3,600

**TOTAL**

\$206

Screening Date 30-Jan-2007

Docket No. 2007-0149-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 2 (September 2002)

Case ID No. 32479

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN102584026

Media [Statute] Air Quality

Enf. Coordinator Daniel Siringi

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4) Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and Texas Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, on October 18, 2006 for 36 hrs 47 min, emissions of approximately 29,067.45 lbs of SO2, 7,009.94 lbs of CO, 468.3 lbs of NOx, 350.81 lbs of PM, 616.81 lbs of VOCs, 247.42 lbs of Butane, 1,106.44 lbs of Butene, 194.83 lbs of Ethylene, 1,265.87 lbs of Isobutane, 643.74 lbs of Isopentane, 64.65 lbs of Pentane, 1,393.62 lbs of Propane, 531.96 lbs of Propylene, 210.34 lbs of H2S, 2.85 lbs of 1-3 Butadiene and 7.01 lbs of Pentene from 10 Heaters, 6 Flares and 1 Wet Gas Scrubber. Since the emissions event was avoidable, Premcor failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 2

2 Number of violation days

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

Violation Base Penalty \$20,000

Two daily events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$339

Violation Final Penalty Total \$39,400

This violation Final Assessed Penalty (adjusted for limits) \$20,000

## Economic Benefit Worksheet

**Respondent** The Premcor Refining Group Inc.  
**Case ID No.** 32479  
**Reg. Ent. Reference No.** RN102584026  
**Media** Air Quality  
**Violation No.** 5

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

**Delayed Costs**

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$6,500	18-Oct-2006	3-Nov-2007	1.0	\$339	n/a	\$339
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost of training personnel on the proper operations and maintenance of 10 Heaters, 6 Flares and 1 Wet Gas Scrubber associated with emissions event Track No. 260503. Date required is the date of the first emissions event and the final date is the date the respondent is expected to complete all corrective actions.

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$6,500

TOTAL \$339

Screening Date 30-Jan-2007

Docket No. 2007-0149-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 2 (September 2002)

Case ID No. 32479

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN102584026

Media [Statute] Air Quality

Enf. Coordinator Daniel Siringi

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4) Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and Texas Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. During a September 6, 2006 to September 7, 2006, emissions event approximately 214,490.37 lbs of SO2, 856.20 lbs of NOx, 6,184.06 lbs of CO, 573.20 lbs of PM, 8,440.49 lbs of VOC, and 2,330.67 lbs of H2S were released through Flare 23 during a 9 hr 48 min period. Since the emissions event was avoidable and determined to be excessive, Premcor failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	x			100%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1 Number of violation days 1

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

Violation Base Penalty \$10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$145

Violation Final Penalty Total \$19,700

This violation Final Assessed Penalty (adjusted for limits) \$10,000

## Economic Benefit Worksheet

**Respondent** The Premcor Refining Group Inc.  
**Case ID No.** 32479  
**Reg. Ent. Reference No.** RN102584026  
**Media** Air Quality  
**Violation No.** 6

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				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$2,500	6-Sep-2006	3-Nov-2007	1.2	\$145	n/a	\$145
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost of training personnel on the proper operations and maintenance of Flare 23. Date required is the date of the first emissions event related to Flare 23 maintenance and the final date is the date the respondent is expected to complete all corrective actions.

**Avoided Costs**

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,500

**TOTAL**

\$145

## Compliance History

Customer/Respondent/Owner-Operator:	CN601420748    The Premcor Refining Group Inc.	Classification: AVERAGE	Rating: 8.47
Regulated Entity:	RN102584026    VALERO PORT ARTHUR REFINERY	Classification: AVERAGE	Site Rating: 2.50
ID Number(s):	AIR OPERATING PERMITS	PERMIT	2228
	AIR OPERATING PERMITS	PERMIT	2229
	AIR OPERATING PERMITS	PERMIT	2227
	AIR OPERATING PERMITS	ACCOUNT NUMBER	JE0042B
	AIR OPERATING PERMITS	PERMIT	1498
	AIR OPERATING PERMITS	PERMIT	2227
	AIR OPERATING PERMITS	PERMIT	2228
	AIR OPERATING PERMITS	PERMIT	2229
	AIR NEW SOURCE PERMITS	PERMIT	17038
	AIR NEW SOURCE PERMITS	PERMIT	802A
	AIR NEW SOURCE PERMITS	PERMIT	2303A
	AIR NEW SOURCE PERMITS	PERMIT	5491A
	AIR NEW SOURCE PERMITS	PERMIT	6825A
	AIR NEW SOURCE PERMITS	PERMIT	7600A
	AIR NEW SOURCE PERMITS	PERMIT	8369A
	AIR NEW SOURCE PERMITS	PERMIT	8456A
	AIR NEW SOURCE PERMITS	PERMIT	12454A
	AIR NEW SOURCE PERMITS	PERMIT	12553A
	AIR NEW SOURCE PERMITS	PERMIT	13635A
	AIR NEW SOURCE PERMITS	PERMIT	13698A
	AIR NEW SOURCE PERMITS	PERMIT	19404
	AIR NEW SOURCE PERMITS	PERMIT	28778
	AIR NEW SOURCE PERMITS	PERMIT	29335
	AIR NEW SOURCE PERMITS	PERMIT	45737
	AIR NEW SOURCE PERMITS	PERMIT	47885
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	JE0042B
	AIR NEW SOURCE PERMITS	REGISTRATION	75595
	AIR NEW SOURCE PERMITS	REGISTRATION	76069
	AIR NEW SOURCE PERMITS	AFS NUM	0004
	AIR NEW SOURCE PERMITS	PERMIT	56546
	AIR NEW SOURCE PERMITS	PERMIT	71744
	AIR NEW SOURCE PERMITS	PERMIT	50836
	AIR NEW SOURCE PERMITS	REGISTRATION	74702
	AIR NEW SOURCE PERMITS	PERMIT	N65
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD008090409
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30004
	INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE	PERMIT	50350
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30004

Location: 1801 GULFWAY DR, PORT ARTHUR, TX, 77640      Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 10 - BEAUMONT

Date Compliance History Prepared: May 29, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: January 30, 2002 to January 30, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Daniel Siringi      Phone: (409) 899-8799

### Site Compliance History Components

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 of the site during the compliance period?      No
3. If Yes, who is the current owner?      N/A
4. If Yes, who was/were the prior owner(s)?      N/A
5. When did the change(s) in ownership occur?      N/A

### Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A	Effective Date: 10/10/2003	ADMINORDER 2003-0053-AIR-E
	Classification: Moderate	
Citation:	30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)	
	30 TAC Chapter 116, SubChapter G 116.715(c)(7) 5C THC Chapter 382, SubChapter A 382.085(b)	
Rqmt Prov:	General Condition 8 PERMIT Special Condition 5B PERMIT	

Description: Failure to maintain an emission rate below the allowable emission limits.  
Effective Date: 03/20/2003      ADMINORDER 2002-0429-AIR-E  
Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.6(a)(1)(B)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to notify the regional office no later than 24 hours after the discovery of a reportable upset at the Delayed Coking Unit 843.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)  
30 TAC Chapter 116, SubChapter B 116.115(b)(G)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: GC8 PERMIT

Description: Failure to maintain an emission rate below the allowable emission limits.

Effective Date: 06/15/2006

ADMINORDER 2005-0585-AIR-E

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(7)  
30 TAC Chapter 101, SubChapter F 101.201(b)(8)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to comply with the final recordkeeping requirements concerning two emissions events.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 6825A/PSD-TX-49, SC 5A PERMIT

Description: Failure to maintain an emission rate below the allowable emission limit.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

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

1 04/19/2005 (349573)  
N/A

2 01/25/2007 (531842)

3 08/11/2004 (278807)

4 08/01/2005 (393808)

5 11/15/2006 (515161)

6 11/04/2005 (432099)

7 07/28/2006 (483694)

8 05/30/2006 (466254)

9 05/17/2005 (377823)

10 08/11/2004 (285340)

11 01/22/2003 (16924)

12 05/31/2005 (393164)

13 11/23/2004 (339389)

14 06/07/2005 (394209)

15 11/04/2005 (432307)

16 02/23/2006 (455193)

17 05/17/2005 (377749)

18 10/31/2003 (250086)

19 08/14/2005 (380729)

20 11/04/2005 (418674)

21 11/06/2006 (515244)

22 08/23/2004 (281670)

23 09/23/2004 (271970)

24 08/16/2005 (396901)

25 10/31/2003 (440137)

26 03/05/2003 (18990)

27 10/31/2003 (249934)

28 12/02/2005 (418593)

29 01/22/2003 (21208)

30 01/06/2003 (19247)

31 08/04/2005 (402168)

32 04/28/2006 (454769)

33 08/31/2002 (8635)

34 01/18/2006 (438806)

35 01/08/2004 (258663)

36 06/13/2005 (377488)

37 10/29/2003 (250694)

38 03/24/2004 (263206)

39 03/03/2005 (345932)

40 06/13/2005 (377763)

41 08/29/2003 (130722)

42 08/30/2006 (482855)

43 08/04/2005 (401782)

44 10/31/2003 (249936)

45 08/16/2005 (403310)

46 08/16/2005 (348169)  
47 08/31/2006 (454753)  
48 01/25/2007 (535004)  
49 02/03/2006 (440029)  
50 11/15/2005 (435657)  
51 02/21/2006 (455655)  
52 11/23/2004 (339035)  
53 08/11/2004 (286227)  
54 10/31/2003 (250088)  
55 11/04/2005 (404608)  
56 02/06/2006 (437321)  
57 11/22/2002 (4778)  
58 07/05/2005 (393742)  
59 06/13/2005 (377635)  
60 10/31/2003 (250089)  
61 05/16/2005 (374794)  
62 02/02/2005 (342308)  
63 02/26/2004 (254381)  
64 02/13/2004 (258485)  
65 10/31/2003 (250090)  
66 10/29/2003 (250696)  
67 07/05/2005 (380293)  
68 01/19/2006 (439376)  
69 08/29/2003 (112800)  
70 10/31/2003 (250091)  
71 10/13/2005 (431867)  
72 07/13/2005 (397179)  
73 08/31/2004 (282995)  
74 05/11/2006 (464702)  
75 10/31/2003 (250092)  
76 08/17/2004 (270166)  
77 06/16/2004 (270296)  
78 11/18/2006 (517423)  
79 10/10/2006 (512174)  
80 12/27/2004 (340483)  
81 08/31/2005 (401994)  
82 07/08/2003 (25047)  
83 12/19/2006 (512175)  
84 05/20/2005 (347935)  
85 06/07/2005 (392990)  
86 12/08/2004 (337446)  
87 05/26/2004 (270679)  
88 08/06/2003 (28570)  
89 12/02/2003 (252358)  
90 07/13/2005 (397190)

91 08/16/2005 (402102)  
92 06/16/2006 (482132)  
93 03/31/2003 (281091)  
94 03/31/2006 (455509)  
95 01/13/2004 (256396)  
96 12/28/2006 (395082)  
97 08/25/2005 (401169)  
98 12/12/2003 (281092)  
99 05/24/2005 (374676)  
100 08/16/2005 (337449)  
101 03/24/2005 (346253)  
102 12/15/2004 (287796)  
103 05/31/2005 (377794)  
104 04/12/2006 (461051)  
105 08/31/2006 (466054)  
106 11/29/2004 (340093)  
107 01/31/2004 (257601)  
108 11/03/2005 (434493)  
109 04/14/2005 (371246)  
110 08/27/2004 (283049)  
111 12/28/2006 (273484)  
112 08/31/2004 (273536)  
113 01/31/2005 (344879)  
114 11/23/2004 (339038)  
115 01/07/2003 (18101)  
116 08/13/2005 (402114)  
117 01/25/2007 (512183)  
118 03/28/2006 (450081)  
119 10/13/2004 (293066)  
120 08/31/2005 (338345)  
121 01/04/2007 (533453)  
122 01/31/2004 (258920)  
123 06/17/2005 (395060)  
124 05/06/2005 (276009)  
125 09/01/2004 (286723)  
126 07/14/2006 (464803)  
127 05/03/2006 (464161)

128 01/25/2007 (531282)  
 129 01/17/2006 (450983)  
 130 07/26/2005 (400317)  
 131 08/23/2002 (8374)  
 132 01/13/2004 (258948)  
 133 08/31/2002 (10446)

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

Dat 10/31/2003 (249936)  
 Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA

Description: Failure to forward two copies of the final sampling report within 60 days after the sampling.

Dat 02/02/2005 (342308)

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.4  
 5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to comply with the State's rule concerning nuisance.

Dat 02/13/2004 (258485)

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.4  
 5C THC Chapter 382, SubChapter A 382.085(a)

Description: Failure to prevent a nuisance condition within the Port Arthur area.

Dat 08/27/2004 (283049)

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 101, SubChapter A 101.20(3)  
 30 TAC Chapter 113, SubChapter C 113.340  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA

Description: Failure to properly seal the end of a line containing HAPs/VOCs.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 101, SubChapter A 101.20(3)  
 30 TAC Chapter 113, SubChapter C 113.340  
 30 TAC Chapter 115, SubChapter D 115.352(2)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA

Description: Failure to perform the final repair within 15 days for 2 pumps.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 101, SubChapter A 101.20(3)  
 30 TAC Chapter 113, SubChapter C 113.340  
 30 TAC Chapter 115, SubChapter D 115.352(2)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA

Description: Failure to perform the final repair within 15 days for 4 leaking connectors.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 101, SubChapter A 101.20(3)  
 30 TAC Chapter 113, SubChapter C 113.340  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(e)  
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA

Description: Failure to record the repair methods for several leaking components.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352[G]  
 5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to perform an extraordinary repair within thirty (30) days for a leaking valve.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 101, SubChapter A 101.20(3)  
 30 TAC Chapter 113, SubChapter C 113.340  
 30 TAC Chapter 115, SubChapter D 115.352[G]  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA

Description: Failure to repair components on delay of repair before the end of the next process unit shutdown.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 113, SubChapter C 113.340  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(e)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA

Description: Failure to maintain a list of identification numbers for all connectors located within the FCC 1241 Unit.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 113, SubChapter C 113.340  
  
30 TAC Chapter 115, SubChapter D 115.352(2)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA

Description: Failure to perform the final repair within 15 days for the valve with Component ID #116023.

Dat 10/31/2003 (250091)

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA

Description: Failure to forward two copies of the final sampling report within 60 days after the sampling event.

Dat 08/16/2004 (278807)

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 113, SubChapter C 113.100[G]  
30 TAC Chapter 113, SubChapter C 113.340  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA

Description: Failure to properly operate Emergency Flare 15 (EPN: F15FLARE) on June 30, 2004.

Dat 08/31/2006 (482855)

Self NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.356(e)(1)  
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.356(f)(1)  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: OP IA

Description: Failure to maintain proper documentation as listed in the Semiannual Deviation Report for FOP O-02228 dated May 25, 2005 to November 25, 2005 and November 26, 2005 to May 25, 2006.

Self NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: OP IA  
PERMIT IA

Description: Failure to maintain proper documentation of CEMS data as listed in the Semiannual Deviation Report for FOP O-02229 dated January 16, 2004 to July 16, 2004.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: OP IA  
PERMIT IA

Description: Failure to maintain Incinerator Firebox Temperature as listed in the Semiannual Deviation Report for FOP O-02229 dated January 16, 2004 to July 16, 2004.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.340  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT CC 63.654(g)  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: OP IA

Description: Failure to submit a semiannual report in a timely manner.

Self NO Classification: Moderate  
Citation:

30 TAC Chapter 101, SubChapter A 101.20(1)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(2)(i)  
5C THC Chapter 382, SubChapter D 382.085(b)  
Description: Failure to maintain a 250 ppm SO2 emission limit at the sulfur recovery plant as listed in the Semiannual Deviation Report for FOP O-02229 dated January 16, 2005 to July 16, 2005.

Self NO Classification: Minor

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: OP IA

Description: Failure to conduct a daily notation in the flare operation log as listed in the Semiannual Deviation Report for FOP O-02229 dated July 16, 2004 to January 15, 2005.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: OP IA  
PERMIT IA

Description: Failure to properly operate the H2S degasser for FOP O-02229 dated January 16, 2005 to July 16, 2005.

Self NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 64, SubChapter C, PT 64 64.7(c)  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: OP IA  
PERMIT IA

Description: Failure to complete a 15 minute cycle of CEMS data as listed in the Semiannual Deviation Report for FOP O-02229 dated January 16, 2005 to July 16, 2005.

Self NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: OP IA

Description: Failure to record bypass valve position at least once per hour as listed in the Semiannual Deviation Report for FOP O-02229 dated January 16, 2005 to July 16, 2005.

Self NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 115, SubChapter D 115.352(2)[G]  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-9[G]  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: OP IA  
PERMIT IA

Description: Failure to place on a shutdown list within 15 days of documenting a leak as listed in the Semiannual Deviation Report for FOP O-02229 dated July 16, 2005 to January 16, 2006.

Dat 08/26/2005 (401169)

Self NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: OP IA

Description: Failure to report all instances of all deviations.

Dat 01/31/2003 (18943)

Self NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.4[G]

Description: FAILURE TO PREVENT AN UNAUTHORIZED DISCHARGE OF SULFUR.

Self NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(1)[G]

Description: Failure to maintain a record of each Satellite Accumulation Area.

Self NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter Q 335.474[G]

Description: Failure to update as necessary to assure that there never exists a time period for which a Source Reduction and Waste Minimization (SRWM) Plan is not in effect.

Dat 12/02/2003 (252358)

Self NO Classification: Minor

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter A 382.085(b)



J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



<b>IN THE MATTER OF AN</b>	<b>§</b>	<b>BEFORE THE</b>
<b>ENFORCEMENT ACTION</b>	<b>§</b>	
<b>CONCERNING</b>	<b>§</b>	<b>TEXAS COMMISSION ON</b>
<b>THE PREMCOR REFINING GROUP INC.</b>	<b>§</b>	
<b>RN102584026</b>	<b>§</b>	<b>ENVIRONMENTAL QUALITY</b>

**AGREED ORDER**  
**DOCKET NO. 2007-0149-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 The Premcor Refining Group Inc. (“Premcor”) 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 Premcor presented this agreement to the Commission.

Premcor 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, Premcor 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 Premcor.

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

**I. FINDINGS OF FACT**

1. Premcor owns and operates a petroleum refinery at 1801 Gulfway Drive in Port Arthur, Jefferson 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 an investigation on November 15, 2006, TCEQ staff documented that during an October 10, 2006, emissions event, unauthorized emissions of 0.58 pounds (“lbs”) of Sulfur Dioxide (“SO<sub>2</sub>”), 194.66 lbs of Nitrogen Oxides (“NO<sub>x</sub>”), 1,405.94 lbs of Carbon Monoxide (“CO”), 4.92 lbs Butane, 14.23 lbs Butene, 29.49 lbs of Isobutane, 2,591.73 lbs of Propane, 1,021.33 lbs Propylene and 88.18 lbs of Particulate Matter (“PM”) were released from Flare 23 for 17 hours (“hrs”) 45 minutes (“min”).
4. During an investigation on December 21, 2006, TCEQ staff documented that during a November 12, 2006, emissions event, for 23 hrs 31 min, unauthorized emissions of 12,599.33 lbs of SO<sub>2</sub>, 53.49 lbs of NO<sub>x</sub>, 458.85 lbs of CO, 120.08 lbs Hydrogen Sulphide (“H<sub>2</sub>S”), 0.01 lbs of Isobutane, 0.02 lbs of Propane, 1,021.33 lbs of Propylene and 4.82 lbs of PM were released from Flare 05, Scot Incinerators I, II and III.
5. During an investigation on December 21, 2006, TCEQ staff documented that during a November 6, 2006 emissions event, for 1 hr 16 min, unauthorized emissions of 8,868.21 lbs of SO<sub>2</sub>, 1.66 lbs of NO<sub>x</sub>, 11.98 lbs of CO, 96.36 lbs H<sub>2</sub>S and 2.87 lbs PM were released from Flare 23 which were routed from Amine Treating Unit 7842.
6. During an investigation on December 21, 2006, TCEQ staff documented that during a November 15, 2006 emissions event for 1 hr 36 min, unauthorized emissions of 1,532.24 lbs of SO<sub>2</sub>, 1.34 lbs of NO<sub>x</sub>, 9.68 lbs of CO, 16.65 lbs of H<sub>2</sub>S, 0.07 lbs of PM, 2.13 lbs of Butane, 1.84 lbs of Butene, 0.41 lbs of Ethylene, 0.36 lbs of Isobutane, 0.53 lbs of Isopentane, 1.02 lbs of Pentane, 3.49 lbs of Propane, 1.48 lbs of Propylene and 0.83 lbs of VOCs were released from Flare 19 when two compressors at Atmospheric & Vacuum Unit (“AVU”) 146 tripped off due to low water seal pressure.
7. During an investigation on October 18, 2006, TCEQ staff documented that during an October 18, 2006 emissions event for 36 hrs 47 min, unauthorized emissions of approximately 29,067.45 lbs of SO<sub>2</sub>, 7,009.94 lbs of CO, 468.3 lbs of NO<sub>x</sub>, 350.81 lbs of PM, 616.81 lbs of VOCs, 247.42 lbs of Butane, 1,106.44 lbs of Butene, 194.83 lbs of Ethylene, 1,265.87 lbs of Isobutane, 643.74 lbs of Isopentane, 64.65 lbs of Pentane, 1393.62 lbs of Propane, 531.96 lbs of Propylene, 210.34 lbs of H<sub>2</sub>S, 2.85 lbs of 1-3 Butadiene and 7.01 lbs of Pentene were released from 10 Heaters, 6 Flares and 1 Wet Gas Scrubber.
8. During an investigation on September 20, 2006, TCEQ staff documented that during a September 6, 2006 to September 7, 2006, emissions event, unauthorized emissions of approximately 214,490.37 lbs of SO<sub>2</sub>, 856.20 lbs of NO<sub>x</sub>, 6,184.06 lbs of CO, 573.20 lbs of PM, 8,440.49 lbs of VOC, and 2,330.67 lbs of H<sub>2</sub>S were released through Flare 23 during a 9 hr 48 min period.
9. Premcor received notice of the violations on January 30, 2007.

## II. CONCLUSIONS OF LAW

1. Premcor 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, Premcor failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4), Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Premcor failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
3. As evidenced by Findings of Fact No. 4, Premcor failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4), Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Premcor failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
4. As evidenced by Findings of Fact No. 5, Premcor failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4), Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Premcor failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
5. As evidenced by Findings of Fact No. 6, Premcor failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4), Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Premcor failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
6. As evidenced by Findings of Fact No. 7, Premcor failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4), Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Premcor failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
7. As evidenced by Findings of Fact No. 8, Premcor failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), 122.143(4), Air Permit No. 6825A/PSD-TX-49, Special Condition 5A, Air Permit No. O-02229, General Terms and Conditions and Special Condition 15A and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable and determined to be excessive, Premcor failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
8. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Premcor 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.



9. An administrative penalty in the amount of Sixty-Four Thousand Six Hundred Twenty-Five Dollars (\$64,625) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX WATER CODE § 6.053. Premcor has paid Thirty Two Thousand Three Hundred Thirteen Dollars (\$32,313) of the administrative penalty. Thirty-Two Thousand Three Hundred Twelve Dollars (\$32,312) shall be conditionally offset by Premcor's completion of a Supplemental Environmental Project ("SEP").

### III. ORDERING PROVISIONS

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

1. Premcor is assessed an administrative penalty in the amount of Sixty-Four Thousand Six Hundred Twenty-Five Dollars (\$64,625) as set forth in Section II, Paragraph 9 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Premcor'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: The Premcor Refining Group Inc., Docket No. 2007-0149-AIR-E" to:

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

2. Premcor shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II above, Thirty-Two Thousand Three Hundred Twelve Dollars (\$32,312) of the assessed administrative penalty shall be offset with the condition that Premcor implement the SEP defined in Attachment A, incorporated herein by reference. Premcor's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. Premcor shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order:
    - i. Implement training related to the proper monitoring of the D-2200 Coke drum to avoid leftover coke causing excess foaming in the unit;
    - ii. Implement training and/or procedural changes for operating the T-2400 absorber Stripper and the Amine regeneration system to ensure no reduction in the flow rate occurs without reducing the Plant's steam rates;



- iii. Implement training and/or procedural changes for the Amine Treating Unit 7842 to ensure proper checks are accomplished prior to startup; and
  - iv. Implement training to ensure proper operations and maintenance of AVU 146, 10 Heaters, 6 Flares, 1 Wet Gas Scrubber and Flare 23.
- 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 Nos. 3.a.i through 3.a.iv. 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 fine 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  
Beaumont Regional Office  
Texas Commission on Environmental Quality  
3870 Eastex Freeway  
Beaumont, Texas 77703-1892

- 4. The provisions of this Agreed Order shall apply to and be binding upon Premcor. Premcor 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.
- 5. If Premcor 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, Premcor's failure to comply is not a violation of this Agreed Order. Premcor shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Premcor shall notify the Executive Director within seven days after Premcor becomes



aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. 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 Premcor shall be made in writing to the Executive Director. Extensions are not effective until Premcor receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. 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 Premcor if the Executive Director determines that Premcor has not complied with one or more of the terms or conditions in this Agreed Order.
8. 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.
9. This Agreed Order, issued by the Commission, shall not be admissible against Premcor 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.
10. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
11. 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

*John Srdelic*  
For the Executive Director

10/27/2007  
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of The Premcor Refining Group Inc. I am authorized to agree to the attached Agreed Order on behalf of The Premcor Refining Group Inc., 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, Premcor Refining Group Inc. 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 my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- 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 against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

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

*John Srdelic*  
Signature

October 19, 2007  
Date

Tim Giltingham  
Name (Printed or typed)  
Authorized Representative of  
The Premcor Refining Group Inc.

VP Regional Refining  
Operations  
Title

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



Attachment A  
Docket Number: 2007-0149-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

<b>Respondent:</b>	<b>The Premcor Refining Group Inc.</b>
<b>Payable Penalty Amount:</b>	<b>Sixty-Four Thousand Six Hundred Twenty-Five Dollars (\$64,625)</b>
<b>SEP Amount:</b>	<b>Thirty-Two Thousand Three Hundred Twelve Dollars (\$32,312)</b>
<b>Type of SEP:</b>	<b>Pre-approved</b>
<b>Third-Party Recipient:</b>	<b>South East Texas Regional Planning Commission-West Port Arthur Home Energy Efficiency Program</b>
<b>Location of SEP:</b>	<b>Jefferson County</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

A. Project

The Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to conduct home energy audits and to assist low income residents in the West Port Arthur area by weatherizing their homes which will improve their homes' energy efficiency. SEP monies will be used to pay for the cost of caulking and insulating homes, replacing heating and cooling systems and major appliances with new, energy efficient equipment.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and nitrogen oxides associated with the combustion of fuel and generation of electricity. Additionally, the improvements will improve homes as shelters for responding to emergency releases.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.



The Premcor Refining Group Inc.  
Agreed Order – Attachment A

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

South East Texas Regional Planning Commission  
Transportation and Environmental Resources  
Bob Dickenson, Director  
2210 Eastex Freeway  
Beaumont, Texas 77703

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division  
Attention: SEP Coordinator, MC 219  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality  
Financial Administration Division, Revenues  
Attention: Cashier, MC 214  
P.O. Box 13088  
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.



**5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

