

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2006-0675-AIR-E TCEQ ID: RN100825249 CASE NO.: 29650
RESPONDENT NAME: CHEVRON PHILLIPS CHEMICAL COMPANY LP

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input 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	
CASE TYPE:		
<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>SITE WHERE VIOLATION(S) OCCURRED: 21689 Highway 35, Old Ocean, Brazoria County</p> <p>TYPE OF OPERATION: Chemical manufacturing plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on September 24, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney: Mr. Justin Lannen, Litigation Division, MC R-4, (817) 588-5927 Ms. Jennifer Cook, Litigation Division, MC 175, (512) 239-1873 TCEQ Enforcement Coordinator: Ms. Audra Ruble, Air Enforcement Section, MC R-14, (361) 825-3126 TCEQ Regional Contact: Ms. Linda Vasse, Houston Regional Office, MC R-12, (713) 767-3500 Respondent: Ms. Charleen Dickson, Plant Manager, Chevron Sweeny Complex, 21689 Highway 35, Old Ocean, Texas 77463 Respondent's Attorney: Mr. David Speaker, Chevron Phillips Chemical Company LP, 10001 Six Pines Dr, The Woodlands, Texas, (832) 813-4108</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date of Complaints Relating to this Case: None</p> <p>Dates of Investigation Relating to this Case: March 13, 2006 through April 10, 2006</p> <p>Date of NOE Relating to this Case: May 16, 2006</p> <p>Background Facts:</p> <p>From the outset, the Respondent expressed its desire to settle the matter without the need to go to a hearing. The Litigation Division and the Respondent then engaged in successful settlement negotiations. The Respondent submitted a signed Agreed Order and paid the administrative penalty of \$3,700 in full on June 21, 2007.</p> <p>AIR:</p> <p>Failed to complete Continuous Emissions Monitoring System (CEMS) required testing and report submission within 60 days after startup of Cracking Furnace 5 (EPN 22-36-5), as documented during an investigation conducted from March 13, 2006 through April 10, 2006 [30 TEX. ADMIN. CODE § 117.520(c)(2)(A)(i)(II) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$3,700</p> <p>Total Deferred: \$0</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$3,700</p> <p>The Respondent has paid the administrative penalty in full.</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Action Taken: The Executive Director recognizes that the Respondent submitted CEMS testing certification and report on February 13, 2006.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) PCW Revision May 19, 2005

DATES	Assigned 22-May-2006	PCW 15-Dec-2006	Screening 06-Jun-2006	EPA Due 03-Mar-2007
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RESPONDENT/FACILITY INFORMATION	
Respondent	Chevron Phillips Chemical Company LP
Reg. Ent. Ref. No.	RN100825249
Facility/Site Region	12-Houston <input type="button" value="<"/>
Major/Minor Source	Major Source <input type="button" value="<"/>

CASE INFORMATION			
Enf./Case ID No.	29650	No. of Violations	1
Docket No.	2006-0675-AIR-E	Order Type	1660 <input type="button" value="<"/>
Media Program(s)	Air Quality <input type="button" value="<"/>	Enf. Coordinator	Sherronda Martin
Multi-Media		EC's Team	Enforcement Team 5 <input type="button" value="<"/>
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section	
TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1 <input style="width: 100px;" type="text" value="\$2,500"/>
ADJUSTMENTS (+/-) TO SUBTOTAL 1	
Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.	
Compliance History	Subtotals 2, 3, & 7 <input style="width: 100px;" type="text" value="\$1,825"/>
Notes	Penalty enhancements due to one same or similar NOV, 17 NOVs with non-similar violations, and two 1660-style orders. Compliance history reductions for two NOIs and two DOVs.
Culpability	Subtotal 4 <input style="width: 100px;" type="text" value="\$0"/>
Notes	The Respondent does not meet the culpability criteria.
Good Faith Effort to Comply	Subtotal 5 <input style="width: 100px;" type="text" value="-\$625"/>
	Before NOV NOV to EDRP/Settlement Offer
Extraordinary	
Ordinary	x
N/A	(mark with a small x)
Notes	The Respondent came into compliance on February 13, 2006.
Economic Benefit	Subtotal 6 <input style="width: 100px;" type="text" value="\$0"/>
	*Capped at the Total EB \$ Amount
Total EB Amounts	\$56
Approx. Cost of Compliance	\$2,000
SUM OF SUBTOTALS 1-7	Final Subtotal <input style="width: 100px;" type="text" value="\$3,700"/>
OTHER FACTORS AS JUSTICE MAY REQUIRE	Adjustment <input style="width: 100px;" type="text" value="\$0"/>
Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)	
Notes	
	Final Penalty Amount <input style="width: 100px;" type="text" value="\$3,700"/>
STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty <input style="width: 100px;" type="text" value="\$3,700"/>
DEFERRAL	Adjustment <input style="width: 100px;" type="text" value="\$0"/>
Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)	
Notes	-----Deferral offer-withdrawn for failure to settle within 60 days.
PAYABLE PENALTY	\$3,700

Screening Date 06-Jun-2006

Docket No. 2006-0675-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 29650

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Sherronda Martin

Compliance History Worksheet

>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	17	34%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	2	40%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of 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>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were</i>	2	-2%
	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>)	2	-4%
<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) 73%

>> **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 Penalty enhancements due to one same or similar NOV, 17 NOVs with non-similar violations, and two 1660-style orders. Compliance history reductions for two NOIs and two DOVs.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 73%

Screening Date 06-Jun-2006 **Docket No.** 2006-0675-AIR-E **PCW**

Respondent Chevron Phillips Chemical Company LP *Policy Revision 2 (September 2002)*

Case ID No. 29650 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Sherronda Martin

Violation Number

Primary Rule Cite(s)

Secondary Rule Cite(s)

Violation Description

Base Penalty

>> **Environmental, Property and Human Health Matrix**

Release		Harm			Percent
		Major	Moderate	Minor	
Actual	<input type="text"/>				
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

Falsification	Harm			Percent
	Major	Moderate	Minor	
<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="25%"/>

Matrix Notes

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

mark only one use a small x

daily	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="checkbox"/>

Violation Base Penalty

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 Chevron Phillips Chemical Company LP
Case ID No. 29650
Reg. Ent. Reference No. RN100825249
Media [Statute] Air Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost <small>No commas or \$</small>	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$2,000	22-Jul-2005	13-Feb-2006	0.6	\$56	n/a	\$56

Notes for DELAYED costs: Estimated amount necessary to prevent this violation. Date required is the date all documents were to be submitted. Final Date is the date the Respondent came into compliance.

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 \$2,000

TOTAL \$56

Compliance History

Customer/Respondent/Owner-Operator: CN600303614 Chevron Phillips Chemical Company LP Classification: AVERAGE Rating: 1.82

Regulated Entity: RN100825249 CHEVRON PHILLIPS CHEMICAL SWEENEY COMPLEX Classification: AVERAGE Site Rating: 1.22

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	BL0758C
AIR OPERATING PERMITS	PERMIT	2151
AIR OPERATING PERMITS	PERMIT	52061
AIR NEW SOURCE PERMITS	REGISTRATION	75479
AIR NEW SOURCE PERMITS	REGISTRATION	75473
AIR NEW SOURCE PERMITS	REGISTRATION	75447
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	BL0758C
AIR NEW SOURCE PERMITS	PERMIT	22690
AIR NEW SOURCE PERMITS	REGISTRATION	75059
AIR NEW SOURCE PERMITS	REGISTRATION	75072
AIR NEW SOURCE PERMITS	AFS NUM	0145
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXR000039834
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	86586

Location: 21689 HIGHWAY 35, OLD OCEAN, TX, 77463 Rating Date: September 01 05 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: June 02, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: June 02, 2001 to June 02, 2006

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

Name: Sherronda Martin Phone: 713-767-3680

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.

Effective Date: 02/02/2003 ADMINORDER 2002-0127-AIR-E
 Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.6[G]
 5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report an upset within 24 hours that occurred on September 8, 2001.

Classification: Moderate

Citation: 5C THC Chapter 382, SubChapter A 382.085(a)

Description: Failure to prevent a release of 21872 pounds of propylene on September 8, 2001.

Effective Date: 04/14/2006 ADMINORDER 2005-1709-AIR-E

Classification: Moderate

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

Rqmt Prov: No. 22690 and and PSD-TX-751M1 SC. #1 PA

Description: Failed to prevent unauthorized emissions during an avoidable emissions event that occurred on February 28, 2005.

- 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. (CEEDS Inv. Track. No.)

1	11/29/2001	(139633)
2	01/23/2002	(139634)
3	02/12/2002	(139635)
4	03/13/2002	(139636)
5	03/18/2002	(139637)
6	03/18/2002	(139638)
7	04/02/2002	(139639)
8	04/03/2002	(139640)
9	04/05/2002	(139641)
10	05/15/2002	(139642)
11	10/07/2002	(11428)
12	03/07/2003	(21689)
13	08/31/2004	(275640)
14	05/17/2002	(139643)
15	01/07/2005	(289178)
16	01/12/2004	(259447)
17	08/22/2005	(405938)
18	03/27/2003	(23382)
19	07/26/2005	(401365)
20	05/12/2006	(457773)
21	12/05/2005	(434398)
22	05/05/2004	(265440)
23	04/17/2006	(437247)
24	02/16/2006	(434647)
25	08/23/2004	(259527)
26	04/20/2006	(462475)
27	08/31/2004	(275727)
28	12/05/2005	(433634)
29	05/12/2006	(457763)
30	01/30/2006	(451420)
31	02/03/2006	(452920)
32	01/20/2006	(434431)
33	08/31/2002	(9986)
34	04/06/2006	(456117)
35	05/17/2006	(458185)
36	01/25/2006	(438519)
37	02/23/2006	(451616)
38	02/21/2005	(345241)
39	10/08/2003	(248893)
40	08/02/2005	(402542)
41	01/07/2005	(339259)
42	08/14/2002	(7963)
43	02/24/2006	(455128)
44	03/14/2006	(435096)
45	11/14/2004	(273790)
46	05/12/2006	(457767)
47	12/14/2004	(339248)
48	03/23/2006	(439922)

49	07/26/2003	(61715)
50	07/12/2004	(258432)
51	04/27/2005	(378280)
52	03/27/2006	(381420)
53	10/31/2005	(434581)
54	02/21/2005	(345242)
55	10/29/2004	(293172)
56	01/07/2005	(289620)
57	08/30/2005	(398784)
58	03/23/2006	(456133)
59	05/15/2006	(457756)
60	05/12/2006	(457729)
61	08/26/2005	(397897)
62	02/28/2006	(456109)
63	07/31/2003	(12829)
64	02/21/2005	(345244)
65	12/13/2004	(335760)
66	01/30/2006	(451165)
67	05/12/2006	(457714)
68	09/28/2005	(405189)
69	02/23/2006	(455308)
70	06/30/2004	(275987)
71	01/30/2006	(451081)
72	11/13/2003	(254712)
73	01/17/2006	(450657)
74	10/08/2003	(248868)
75	02/16/2006	(452146)
76	02/24/2006	(449980)
77	08/27/2003	(152358)
78	01/19/2006	(449735)
79	07/26/2003	(61716)
80	05/23/2006	(466215)
81	12/05/2005	(434458)
82	03/31/2005	(374023)
83	12/13/2004	(339619)
84	12/13/2004	(335727)
85	05/12/2006	(457770)
86	01/30/2006	(449589)
87	01/30/2006	(450728)
88	10/22/2003	(250248)
89	08/31/2004	(275582)
90	01/07/2005	(289641)
91	05/25/2005	(379870)
92	04/03/2003	(25138)
93	05/22/2006	(464707)
94	08/29/2001	(139622)
95	08/29/2001	(139623)
96	04/06/2006	(456167)
97	06/30/2004	(276008)
98	05/19/2005	(378004)
99	08/29/2001	(139624)

100 05/27/2003 (282800)
 101 08/29/2001 (139625)
 102 08/29/2001 (139626)
 103 08/29/2001 (139627)
 104 08/29/2001 (139628)
 105 05/12/2006 (457753)
 106 08/29/2001 (139629)
 107 02/08/2006 (451286)
 108 08/31/2001 (139630)
 109 08/31/2001 (139631)
 110 08/31/2001 (139632)

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

Date: 12/04/2001 (139633)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.6[G]
 Description: NOTIFICATION MAJ UPSET
 Self Report? NO Classification: Moderate
 Citation: 5C THC Chapter 382, SubChapter A 382.085(a)
 Description: UNAUTH EMISSIONS CIVIL

Date: 11/27/2001 (139634)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 Rqmt Prov: OP IA
 Description: FLEX PERMIT CONDITIONS

Date: 02/13/2002 (139635)
 Self Report? NO Classification: Moderate
 Citation: 5C THC Chapter 382, SubChapter A 382.085(a)
 Description: UNAUTH EMISSIONS CIVIL

Date: 11/14/2004 (273790)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PERMIT IA
 Description: Exceeded VOC permit limit during an avoidable emissions event.

Date: 05/16/2002 (139642)
 Self Report? NO Classification: Moderate
 Description: FL BE COMPLIANCE DATE
 Self Report? NO Classification: Moderate
 Description: FL BE COMPLIANCE DATE
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
 Description: REFINERY FUGTV/CTRL RE

Date: 05/16/2006 (457714)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 1 (EPN 22-36-1.), Furnace 3 (EPN 22-36-3), Furnace 6 (EPN 22-36-6), Furnace 4 (EPN 22-36-4), Furnace 7 (EPN 22-36-7), Furnace 8 (EPN 22-36-8), and the Turbine Bypass Stack.

Date: 02/14/2006 (452146)
 Self Report? NO Classification: Moderate
 Citation: 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 prevent unauthorized emissions.

Date: 07/12/2004 (258432)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT IA
Description: Exceeded VOC permit limits during an avoidable emissions event.

Date: 04/07/2006 (456117)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: PERMIT IA
Description: Chevron failed to properly maintain the primary and secondary vacuum condensate pumps.

Date: 07/31/2003 (12829)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
Description: CPC failed to record the daily flare observation. For year 2003, Unit 33 flare had no records of observation on a number of days: 6 days (February); 1 day (March), and 3 days (April). The records were below 98% of the required observations.

Date: 10/08/2003 (248893)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)

Rqmt Prov: PERMIT IA
Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of MAERT limits of TCEQ Air Permit No. 22690.

Date: 05/06/2004 (265440)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.242-6(a)(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)

Rqmt Prov: PA IA
Description: Chevron Phillips Chemical Company, (CPCC) failed to cap or plug valve nos., 16, and 425 in unit 24.1, Debutanized Aromatic Concentrate,(DAC) Hydrotreater. All valves are in VOC service and without the required cap or plug.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(1)

Rqmt Prov: PA IA
Description: During the record review, it was discovered that in 2000, CPCC failed to make attempt repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(2)

Description: During the record review, it was discovered that in 2000, CPCC failed to make first attempt repair on the leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 first attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report? NO Classification: Moderate
Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.171(a)

Rqmt Prov: PA IA
Description: It was discovered that in 2000, CPCC failed to make attempt at repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001, attempt repairs were not made on valve nos. 678, 02893, and 4560 within 15 days before these valves were placed on unit Shutdown list.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 115, SubChapter B 115.142(1)(A)
30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.346(b)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.136(e)(1)(i)

Rqmt Prov: PA IA
Description: CPCC failed to equip process drain nos. 84, 89, 93,95, 100, 112, 624, 1527, with required water seal controls or a tightly sealed cap of plug (each drain found to be emitting volatile organic compound (VOC) in excess of 500 ppm)

Date: 09/28/2005 (405189)

Self Report? YES Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)(9)
Description: Failure to identify in the final record of a scheduled maintenance, startup, or shutdown activity with unauthorized emissions, the preconstruction authorization number governing the facility involved in the scheduled maintenance, startup, or shutdown activity.

Self Report? NO Classification: Moderate

Citation: 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 comply with any and all general and special conditions contained in a flexible permit.

Date: 10/22/2003 (250248)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
Description: Failed to close an electrically operated transfer valve during preventative maintenance on unit 33 furnace # 3 (33-36-3).

Date: 10/08/2003 (248868)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)

Rqmt Prov: PERMIT IA
Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of the MAERT of TCEQ Air Permit No. 22690.

Date: 08/23/2004 (259527)

Self Report? NO Classification: Moderate

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

Rqmt Prov: PA IA
Description: Exceeded permit limits during an avoidable emissions event.

Date: 01/25/2006 (438519)

Self Report? NO Classification: Moderate

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

Rqmt Prov: PERMIT IA
Description: Chevron failed to prevent contact with the remote electrical control panel.

Date: 01/29/2003 (23382)

Self Report? NO Classification: Major

Citation: 30 TAC Chapter 117, SubChapter B 117.213(c)(1)(B)
30 TAC Chapter 117, SubChapter B 117.213(d)(1)(A)

30 TAC Chapter 117, SubChapter B 117.213(l)

Description: The regulated entity is in compliance with the reporting requirements of 30 Tex. Admin. Code 117.219(d). However, during the reporting period there were several periods of excess NOx emissions and several periods of NOx and CO CEMS downtime. Therefore, a notice of violation is being issued to Chevron Phillips.

F. Environmental audits.

Notice of Intent Date: 09/18/2001 (32819)

Disclosure Date: 11/16/2001

Viol. Classification: Minor

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

Description: Failure to revise the Existing Source Reduction/Waste Minimization Plan to reflect CpChem's operations.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)

Description: Failure to submit the Annual Compliance Certification with the provisions of the General Operating Permit for Bulk Fuel Terminals was submitted to the TNRCC for the Clemens Terminal Facility for 2000.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)[G]

Description: Failure to submit the semi-annual deviations report required by the General Operating Permit for the Clemens Terminal Facility for 2000.

Notice of Intent Date: 10/09/2002 (33085)

Disclosure Date: 04/21/2003

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A 61.01(a)

Description: Failure to identify in the Total Annual Benzene ("TAB") report each point of waste generation, hydrocarbon phase benzene, and flow-weighted concentration data

Viol. Classification: Major

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A 61.01(a)

Description: Failure to control the annual benzene emissions from Unit No. 24, oily water sump, for calendar year 2002

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A 61.01(a)

Description: Failure to equip vacuum boxes and roll-off boxes with submerged fill pipes with openings within two pipe diameters of the container bottom

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A 61.01(a)

Description: Failure to maintain records to demonstrate that annual no detectable emissions monitoring had been performed

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A 61.01(a)

Description: Failure to install flow indicators on four junction boxes for Unit 10ABC

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A 61.01(a)

Description: Failure to perform 4th quarter visual inspections for Unit No. 24 for calendar year 2002

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A 61.01(a)

Description: Failure to make first attempts to repair flow meters, water seals on the process drains, and seals on the junction boxes after the June 20, 2001 visual inspection for Unit Nos. 10ABC and 24

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A 61.01(a)

Description: Failure to control organic emissions and replace carbon canisters immediately when breakthrough is detected for each Carbon Absorption System ("CAS") for Unit No. 33

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61,
SubPT A 61.01(a)

Description: Failure to maintain design documentation for drain hub water seals, junction box and sump water seals, and flow indicators

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61,
SubPT A 61.01(a)

Description: Failure to maintain corrective action records for flow indicators

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61,
SubPT A 61.01(a)

Description: Failure to maintain CAS monitoring and carbon replacement time records

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61,
SubPT A 61.01(a)

Description: Failure to submit a complete annual corrective actions summary report for calendar year 2002

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CHEVRON PHILLIPS
CHEMICAL COMPANY LP,
RN100825249

§
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§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2006-0675-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Chevron Phillips Chemical Company LP ("Chevron Phillips") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and Chevron Phillips, represented by David Speaker, appear before the Commission and together stipulate that:

1. Chevron Phillips owns and operates a chemical manufacturing plant located at 21689 Highway 35, Old Ocean, Brazoria County, Texas (the "Plant").
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. The Commission and Chevron Phillips agree that the Commission has jurisdiction to enter this Agreed Order, and that Chevron Phillips is subject to the Commission's jurisdiction.
4. Chevron Phillips received notice of the violations alleged in Section II ("Allegations") on or about May 21, 2006.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Chevron Phillips of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of three thousand seven hundred dollars (\$3,700.00) is assessed by the Commission in settlement of the violations alleged in Section II

("Allegations"). Chevron Phillips has paid three thousand seven hundred dollars (\$3,700.00) of the administrative penalty.

7. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and Chevron Phillips have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that Chevron Phillips submitted Continuous Emissions Monitoring System (CEMS) testing certification and report on February 13, 2006.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Chevron Phillips has not complied with one or more of the terms or conditions in this Agreed Order.
11. 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.
12. 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.

II. ALLEGATIONS

Chevron Phillips is alleged to have violated:

30 TEX. ADMIN. CODE § 117.520(c)(2)(A)(i)(II) and TEX. HEALTH & SAFETY CODE § 382.085(b) by failing to complete CEMS required testing and report submission within 60 days after startup of Cracking Furnace 5 (EPN 22-36-5), as documented during an investigation conducted from March 13, 2006 through April 10, 2006.

III. DENIALS

Chevron Phillips generally denies each allegation in Section II ("Allegations").

IV. ORDER

1. It is, therefore, ordered by the TCEQ that Chevron Phillips pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Chevron Phillips's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from considering or requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Chevron Phillips Chemical Company LP, Docket No. 2006-0675-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. The provisions of this Agreed Order shall apply to and be binding upon Chevron Phillips. Chevron Phillips is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant/Facility/Site operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against Chevron Phillips 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.
4. 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.
5. Under 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of the Order to Chevron Phillips, or three days after the date on which the Commission mails notice of the Order to Chevron Phillips, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

8/29/07

Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that 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.



Signature

Name (Printed or typed)

Charleen Dickson

Name (Printed or typed)

Authorized representative of

Chevron Phillips Chemical Company LP

6/19/07

Date

Plant Manager

Title