



**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b></p> <p><input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" type="checkbox"/> Records Review</p> <p><b>Date of Complaints Relating to this Case:</b> None</p> <p><b>Dates of Investigation Relating to this Case:</b> July 17, 2006; July 20, 2006; August 24-September 4, 2006; October 11-27, 2005; and October 25-November 22, 2006</p> <p><b>Date of NOEs Relating to this Case:</b> September 11, 2006; October 6, 2006; January 9, 2007 and February 2, 2007.</p> <p><b>Background Facts:</b></p> <p>An EDPRP was filed on March 15, 2007. A signed Agreed Order was received on May 14, 2007.</p> <p>The Respondent in this case does not owe any other penalties according to the Administrative Penalty Database Report.</p> <p><b>AIR:</b></p> <p>1. Failed to prevent unauthorized emissions. Specifically, 36,437 pounds ("lbs") of Butane, 6,891 lbs of Butene, 6,683 lbs of Pentane, 811 lbs of 3-Methyl-1-Butene, 223 lbs of Propylene and 11 lbs of 1.3 Butadiene were released from the Butane Recovery Unit #2 Stab Tower when the air vent line from the cooling water control valve became plugged with insect dirt and debris, resulting in an emissions event that occurred on June 19, 2005, which lasted for two hours and five minutes (Incident No. 59951) [30 TEX. ADMIN. CODE 116.715(a); Flexible Air Permit No. 2167/PSD-TX-985, Special Condition No. 1; and TEX. HEALTH &amp; SAFETY CODE § 382.085(b). Since the emission event was avoidable and excessive, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE §101.222].</p> <p>2. Failed to prevent unauthorized emissions. Specifically, 53,730.5 lbs of Sulfur Dioxide, 3,344.3 lbs of volatile organic compounds ("VOCs"), 1734.8 lbs of Carbon Monoxide, 585.3 lbs of Hydrogen Sulfide and 240.2 lbs of Nitrogen Oxide were released from Flare No. 3 in the 737 Coker Unit and 177.3 lbs of Sulfur Dioxide, 10.7 lbs of VOCs, 5.7 lbs of Carbon Monoxide, 1.9 lbs of Hydrogen Sulfide and 0.8 lbs of Nitrogen Oxide were released from</p>	<p><b>Total Assessed:</b> \$49,800</p> <p><b>Total Deferred:</b> \$0</p> <p><b>SEP Conditional Offset:</b> \$24,900</p> <p><b>Total Paid to General Revenue:</b> \$24,900</p> <p>The Respondent has paid \$24,900 of the administrative penalty. The remaining amount of \$24,900 of the administrative penalty shall be conditionally offset by the completion of a Supplemental Environmental Project (SEP).</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 Criteria:</b> The violations involve an emission or discharge of contaminants to the environment or other actions because they were excessive emission events.</p>	<p><b>Corrective Action(s) Taken:</b></p> <p>The Executive Director recognizes that the Respondent has taken the following corrective measures:</p> <ol style="list-style-type: none"> <li>With regard to Incident Nos. 59951 and 78767, Houston Refining submitted corrective action plans ("CAPS") to the Executive Director on March 12 and 20, 2007.</li> <li>With regard to Incident No. 78767, Houston Refining identified and implemented two design changes by installing a 5-second delay timer relay to allow the electric back-up lube oil supply pump an additional 5 seconds to establish pressure before the safety system shuts down the compressor. Houston Refining also re-programmed the motor protection relay so that an electric lock-out will not automatically occur for compressor shutdowns associated with low lube oil pressure which allows Operations personnel to attempt a restart of the compressor (if shutdown) without having to wait for an electrician. Further a review of the Emergency Operating Procedures for the 737 Coker Compressor shut-down is scheduled to be completed by June 1, 2007.</li> <li>With regard to Incident No. 77384, Houston Refining contacted the manufacturer of the solenoid valve who recommended that a recently introduced grease called "Krytox GPL-2-2" should be used for valves in services that cycle infrequently. A new solenoid valve was installed in October 2006.</li> <li>With regard to Incident No. 77611, the FCCU was operated at a lower pressure until January 2007, when the unit was shut down for a planned maintenance event, during which numerous changes were made including a change in the configuration of the equipment where the process safety valve relieved.</li> <li>With regard to Incident No. 82077, Houston Refining completed corrective actions on October 3, 2006 which involved the redesign of the console screen to separate the emergency de-pressure valve away from the other valves and programming of the computer such that if the emergency de-pressure valve is selected on the screen, a different screen is immediately displayed and the operator must confirm the intended action of opening the valve.</li> </ol>

DOCKET NO.: 2006-1948-AIR-E

Flare No. 4 in the 737 Coker Unit when Compressor C-201 tripped offline due to low lube oil pressure, resulting in an emissions event that occurred on July 20, 2006 and lasted for three hours and fifteen minutes [30 TEX. ADMIN. § 116.715(a); Flexible Air Permit No. 2167/PSD-TX-985, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emission event was avoidable and excessive, Houston Refining failed to meet the demonstrations for an affirmative defense in § 30 TEX. ADMIN. CODE § 101.222].

3. Failed to prevent unauthorized emissions. Specifically, during an avoidable emissions event that occurred on June 25, 2006 which lasted for 10 minutes (Incident No. 77611), 4,557.5 pounds of VOCs were released from the pressure safety valve emissions point number ("EPN") 732PSV1650 in the 732 Fluid Catalytic Cracking Unit ("FCCU") [30 TEX. ADMIN. CODE § 101.20(3) and § 116.715(a); Flexible Air Permit No. 2167/PSD-TX-985, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Houston Refining failed to meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222].

4. Failed to prevent unauthorized emissions. Specifically, during an avoidable emissions event that occurred on June 20, 2006 which lasted for 2 hours and 35 minutes (Incident No. 77384), 276 lbs of Sulfur Dioxide were released from the 435 Thermal Oxidizer Stack ("TOS"), EPN 435SP1403, and 3,931 lbs. of Sulfur Dioxide were released from the 440 TOS, EPN 440SP2010 in the Sulfur Recovery Complex, [30 TEX. ADMIN. CODE § 101.20(3) and § 116.715(a); Flexible Air Permit No. 2167/PSD-TX-985, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222].

5. Failed to prevent unauthorized emissions. Specifically, 2,608.50 pounds of Sulfur Dioxide were released when a console operator for 635 HDS Unit inadvertently opened the wrong valve, resulting in an emissions event that occurred on October 2, 2006 which lasted for one hour (Incident No. 82077), [30 TEX. ADMIN. CODE § 116.715(a); Flexible Air Permit No. 2167/PSD-TX-985, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222].

**Ordering Provision(s):**

1. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the CAPs submitted on March 12 and 20, 2007 in response to Incident Nos. 59951 and 78767.

2. Upon receipt of approval from the Executive Director, implement the CAPs that were submitted on March 12 and 20, 2007 in response to Incident Nos. 59951 and 78767.

3. Within 30 days after completion of CAP implementation, Houston Refining shall submit written certification notarized by a State of Texas Notary Public and include detailed supporting documentation including photographs, receipts, and or other records to demonstrate compliance with Ordering Provisions 1 and 2.

Attachment A  
Docket Number: 2006-1948-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Houston Refining, L.P.
Penalty Amount:	Forty-Nine Thousand Eight Hundred Dollars (\$49,800)
SEP Amount:	Twenty-Four Thousand Nine Hundred Dollars (\$24,900)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston Area Emission Reduction Credit Organization (AERCO)
Location of SEP:	Harris County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for 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

Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the **Houston-Galveston Area Emission Reduction Credit Organization** (AERCO) Clean Cities/Clean Vehicles Program will perform a SEP in Harris County pursuant to the agreement between AERCO and the TCEQ. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP funds will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. SEP funds will be used for the costs of replacing older diesel buses with alternative fueled or clean fuel diesel buses. The older "high emission" buses will be permanently retired and sold only for scrap. AERCO will send a verification form to TCEQ in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emissions control technologies that are developed and approved by EPA or the California Air Resources Board.

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 retiring high-emission buses from service, purchasing newer, clean fuel technology buses, and replacing newer buses with fuel treatment technology that reduces particulate emissions and hydrocarbons.

C. Minimum Expenditure

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

**2. Performance Schedule**

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

Houston-Galveston Area Council  
Houston-Galveston AERCO  
P.O. Box 22777  
Houston, TX 77227-2777

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, 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. Respondent shall mail a copy of the check and transmittal letter to:

Litigation Division  
Attention: SEP Coordinator, MC 175  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If 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.

In the event of incomplete performance, the check for any amount due shall include the notation "SEP Refund" and the docket number of the case, be made out to "Texas Commission on Environmental Quality", and be mailed to:

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

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 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**

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 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	2-Feb-2007	Screening	5-Feb-2007	EPA Due	30-Oct-2007
	PCW	7-Feb-2007				

<b>RESPONDENT/FACILITY INFORMATION</b>	
Respondent	Houston Refining, LP
Reg. Ent. Ref. No.	RN100218130
Facility/Site Region	12-Houston
Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	32542	No. of Violations	2
Docket No.	2006-1948-AIR-E	Order Type	Findings
Media Program(s)	Air Quality	Enf. Coordinator	Kimberly Morales
Multi-Media		EC's Team	Enforcement Team 6
Admin. Penalty \$	Limit Minimum \$0	Maximum	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$20,000
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### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

<b>Compliance History</b>	317% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$63,400
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Notes: Penalty enhancement due to 8 NOV's for the same or similar violations, 14 NOV's for non-similar violations (which includes 4 months of self-reported effluent violations), 6 agreed orders with denial of liability, 4 agreed orders without denial of liability, and one Court Order. Penalty reduction due to one Notice of Audit submitted.

<b>Culpability</b>	No	0% Enhancement	<b>Subtotal 4</b>	\$0
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Notes: Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply</b>	0% Reduction	<b>Subtotal 5</b>	\$0
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	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes: Respondent is not yet in compliance.

<b>Total EB Amounts</b>	\$420	<b>0% Enhancement*</b>	<b>Subtotal 6</b>	\$0
<b>Approx. Cost of Compliance</b>	\$4,000	*Capped at the Total EB \$ Amount		

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$83,400
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>		<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes:

<b>Final Penalty Amount</b>	\$83,400
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$20,000
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<b>DEFERRAL</b>	0% Reduction	<b>Adjustment</b>	\$0
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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.

<b>PAYABLE PENALTY</b>	\$20,000
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PCW #1

Screening Date 5-Feb-2007

Docket No. 2006-1948-AIR-E

PCW

Respondent Houston Refining, LP

Policy Revision 2 (September 2002)

Case ID No. 32542

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

**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 (number of NOVs meeting criteria)	8	40%
	Other written NOVs	14	28%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	6	120%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	4	100%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	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	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) 317%

>> Repeat Violator (Subtotal 3)

No	Adjustment Percentage (Subtotal 3) 0%
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>> Compliance History Person Classification (Subtotal 7)

Average Performer	Adjustment Percentage (Subtotal 7) 0%
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>> Compliance History Summary

Compliance History Notes	Penalty enhancement due to 8 NOVs for the same or similar violations, 14 NOVs for non-similar violations (which includes 4 months of self-reported effluent violations), 6 agreed orders with denial of liability, 4 agreed orders without denial of liability, and one Court Order. Penalty reduction due to one Notice of Audit submitted.
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Total Adjustment Percentage (Subtotals 2, 3, & 7) 317%

Screening Date 5-Feb-2007

Docket No. 2006-1948-AIR-E

PCW

Respondent Houston Refining, LP

Policy Revision 2 (September 2002)

Case ID No. 32542

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Flexible Air Permit No. 2167/PSD-TX-985, Special Condition 1 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 36,437 pounds ("lbs") of Butane, 6,891 lbs of Butene, 6,683 lbs of Pentane, 811 lbs of 3-Methyl-1-Butene, 223 lbs of Propylene and 11 lbs of 1,3 Butadiene were released from the Butane Recovery Unit #2 Stab Tower when the air vent line from the cooling water control valve became plugged with insect dirt and debris, resulting in an emissions event that occurred on June 19, 2005 and lasted for two hours and five minutes (Incident No. 59951). Since this emissions event was avoidable and excessive, the Respondent 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. TCEQ modeling demonstrates that the 1-hour Effects Screening Level ("ESL") for Butane, Butene and Pentane was exceeded in the Houston-Galveston-Brazoria nonattainment area.

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 \$264

Violation Final Penalty Total \$41,700

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

## Economic Benefit Worksheet

**Respondent** Houston Refining, LP  
**Case ID No.** 32542  
**Reg. Ent. Reference No.** RN100218130  
**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
<small>No commas or \$</small>							

### 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	19-Jun-2005	9-Feb-2008	2.6	\$264	n/a	\$264

Notes for DELAYED costs

Estimated cost to prepare and implement corrective actions necessary to prevent the emissions event. Date required is the date of the emissions event. Final date is the projected date of 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**

\$264

Screening Date 5-Feb-2007

Docket No. 2006-1948-AIR-E

PCW

Respondent Houston Refining, LP

Policy Revision 2 (September 2002)

Case ID No. 32542

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Flexible Air Permit No. 2167/PSD-TX-985, Special Condition 1 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 53,730.5 lbs of Sulfur Dioxide, 3,344.3 lbs of Volatile Organic Compounds ("VOCs"), 1734.8 lbs of Carbon Monoxide, 585.3 lbs of Hydrogen Sulfide and 240.2 lbs of Nitrogen Oxide were released from Flare No. 3 in the 737 Coker Unit, and 177.3 lbs of Sulfur Dioxide, 10.7 lbs of VOCs, 5.7 lbs of Carbon Monoxide, 1.9 lbs of Hydrogen Sulfide and 0.8 lb of Nitrogen Oxide were released from Flare No. 4 in the 737 Coker Unit when Compressor C-201 tripped offline due to low lube oil pressure, resulting in an emissions event that occurred on July 20, 2006 and lasted for three hours and fifteen minutes (Incident No. 78767). Since this emissions event was avoidable and excessive, the Respondent 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 in the Houston-Galveston-Brazoria nonattainment area 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 \$156

Violation Final Penalty Total \$41,700

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

## Economic Benefit Worksheet

**Respondent:** Houston Refining, LP  
**Case ID No.:** 32542  
**Reg. Ent. Reference No.:** RN100218130  
**Media:** Air Quality  
**Violation No.:** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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				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	20-Jul-2006	9-Feb-2008	1.6	\$156	n/a	\$156

Notes for DELAYED costs

Estimated cost to prepare and implement corrective actions necessary to prevent the emissions event. Date required is the date of the emissions event. Final date is the projected date of 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: \$156

# Compliance History

Customer/Respondent/Owner-Operator:	CN601313083 Houston Refining, LP	Classification: AVERAGE	Rating: 6.67
Regulated Entity:	RN100218130 LYONDELL-CITGO	Classification: AVERAGE	Site Rating: 6.67
ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0048L
	AIR OPERATING PERMITS	PERMIT	1372
	PETROLEUM STORAGE TANK	REGISTRATION	39953
	REGISTRATION		
	AIR NEW SOURCE PERMITS	PERMIT	2167
	AIR NEW SOURCE PERMITS	PERMIT	3844
	AIR NEW SOURCE PERMITS	PERMIT	26987
	AIR NEW SOURCE PERMITS	PERMIT	31955
	AIR NEW SOURCE PERMITS	PERMIT	38735
	AIR NEW SOURCE PERMITS	PERMIT	43445
	AIR NEW SOURCE PERMITS	PERMIT	44938
	AIR NEW SOURCE PERMITS	PERMIT	46595
	AIR NEW SOURCE PERMITS	PERMIT	49678
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0048L
	AIR NEW SOURCE PERMITS	REGISTRATION	54769
	AIR NEW SOURCE PERMITS	REGISTRATION	55719
	AIR NEW SOURCE PERMITS	REGISTRATION	75386
	AIR NEW SOURCE PERMITS	AFS NUM	0040
	AIR NEW SOURCE PERMITS	PERMIT	50839
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX985
	AIR NEW SOURCE PERMITS	REGISTRATION	71613
	AIR NEW SOURCE PERMITS	PERMIT	56586
	AIR NEW SOURCE PERMITS	PERMIT	71380
	AIR NEW SOURCE PERMITS	REGISTRATION	74743
	AIR NEW SOURCE PERMITS	REGISTRATION	76934
	AIR NEW SOURCE PERMITS	REGISTRATION	78506
	AIR NEW SOURCE PERMITS	REGISTRATION	80698
	WASTEWATER	PERMIT	WQ0000392000
	WASTEWATER	PERMIT	TPDES0003247
	WASTEWATER	EPA ID	TPDES0003247
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011570
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011570
	INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD082688979
	GENERATION		
	INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE	30092
	GENERATION	REGISTRATION # (SWR)	
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50106
	STORAGE		
	WATER LICENSING	LICENSE	1011570
	IHW CORRECTIVE ACTION	SOLID WASTE	30092
		REGISTRATION # (SWR)	
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50106
	POST CLOSURE		
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50106000
	COMPLIANCE PLANS		

Location: 12000 LAWNSDALE ST, HOUSTON, TX, 77017 Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: February 05, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: February 05, 2002 to February 05, 2007

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

Name: Kimberly Morales Phone: (713) 422-8938

*CH #1*

### 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 judgments, and consent decrees of the state of Texas and the federal government.

Effective Date: 08/07/2005

ADMINORDER 2004-2002-AIR-E

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: Special Condition No. 1 PERMIT  
Description: Failed to comply with permitted emissions limits.

Classification: Minor

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

Description: Failed to submit the initial report for the reportable emission event that occurred on September 1, 2004 in a timely manner.

Effective Date: 05/28/2006

ADMINORDER 2005-1985-AIR-E

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: TCEQ Flexible Permit #2167, SC #1 PERMIT  
Description: Failed to prevent unauthorized emissions.

Effective Date: 07/01/2004

ADMINORDER 2003-1418-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: Special Condition No. 1 PERMIT  
Description: Allowed an unauthorized release of SO<sub>2</sub>, H<sub>2</sub>S, and SO<sub>3</sub> from the Sulfur Recovery Complex. Specifically, an emissions event occurred on December 19, 2002 which resulted in excess emissions of 85,009 lbs of SO<sub>2</sub>, 1,869 lbs of H<sub>2</sub>S, and 2,426 lbs of SO<sub>3</sub>.

Effective Date: 02/05/2006

ADMINORDER 2005-0754-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.716(a)[G]  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 1 PERMIT  
Description: Failed to comply with permitted emissions limits.

Effective Date: 04/10/2005

ADMINORDER 2004-0866-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: PSD-TX-985, Special Condition 1 PERMIT

Description: Exceeded VOC emissions limit for TCEQ Flexible Permit #2167 during an emissions event.

Effective Date: 08/22/2002

ADMINORDER 2001-0072-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(2)(C)  
40 CFR Part 60, Subpart J 60.105(a)(1)

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

Description: Failed to install a COMS in the fluid catalytic cracking unit regeneration stack to continuously monitor and record opacity of emissions, from 10/95 thru 3/00.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.13(b)

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

Description: Failed to use the appropriate low span daily calibration gas for the continuous emission monitoring system (CEMS) that measures hydrogen sulfide in the fuel gas, and by failing to use the appropriate high span standard gas during the first qtr 1998.

Classification: Moderate

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

Description: Allowed unauthorized emissions from the 736 Coker Unit fire at the "B" drum on May 7, 1999.

Classification: Moderate

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

Rqmt Prov: SC15 PERMIT

Description: Failed to properly calibrate the Predictive Emissions Monitoring System (PEMS) on the 537 Crude Unit F1 Heater to determine in-stack emissions of oxides of nitrogen and oxygen.

Effective Date: 12/15/2005

ADMINORDER 2005-1172-AIR-E

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: Flexible Permit No. 2167, SC #1. PERMIT

Description: Failed to comply with permitted emissions limits.

Effective Date: 12/05/2003

COURTORDER

Classification: Major

Citation: 30 TAC Chapter 101, SubChapter A 101.4  
30 TAC Chapter 116, SubChapter G 116.715(a)

Rqmt Prov: SC 1 PERMIT

Description: Emissions of sulfur dioxide and hydrogen sulfide into the air at such concentration as to adversely affect human health or welfare or as to interfere with the reasonable use and enjoyment of property.

Effective Date: 08/07/2003

ADMINORDER 2002-1040-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to monitor 368 valves in the Benzene and Toluene Unit in VOC service.

Effective Date: 02/20/2006

ADMINORDER 2005-0359-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)  
  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #2 PA  
Flexible Permit #2167, SC#26 PA

Description: Failed to limit the hydrogen sulfide ("H2S") concentration in the fuel gas to no more than 160 parts per million ("ppm") on a three-hour rolling average basis.

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: Flexible Permit #2167, SC #44B PA

Description: Failed to operate the Wet Gas Scrubber (EPN 732 COB) at a minimum pressure drop across the scrubber of 0.91 pounds per square inch ("psi") and at a minimum liquid-to-gas ratio ("L/G") of 16.0 gallons per 1,000 actual cubic feet.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)  
  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.103(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #2 PA

Description: Failed to maintain a maximum hourly average carbon monoxide ("CO") concentration of no more than 500 parts per million volume ("ppmv") from the FCCU Catalyst Regenerator Stack (EPN 732-COB)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Special Condition 47 PERMIT

Description: Failed to note daily flare observations in the Flare Observation Log and failed to maintain monitoring records for a flare's pilot flame.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
30 TAC Chapter 101, SubChapter A 101.20(3)  
  
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 63.171(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #14.I PA

Description: Failed to repair three valves within 15 days of leak detection

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: Flexible Permit #2167, SC #37 PA

Description: Failed to maintain the sulfur dioxide ("SO2") concentration in the exhaust gas of the #435 and #440 Tail Gas Thermal Oxidizers (EPNs TGU-ICN and TGU-ICN2) below 235 ppmv on a one-hour average basis.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 115, SubChapter B 115.114(a)(1)

30 TAC Chapter 115, SubChapter B 115.114(a)(2)

30 TAC Chapter 116, SubChapter G 116.715(a)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(a)(2)(i)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(b)(1)(iii)

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

Rqmt Prov: Flexible Permit #2167, SC #4 PA

Description: Failed to conduct the required inspections for three storage tanks.

Effective Date: 06/15/2006

ADMINORDER 2005-2073-AIR-E

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: TCEQ Permit #2167, SC#1 PERMIT

Description: Failed to prevent unauthorized emissions.

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	01/06/2003	(10859)
2	08/31/2002	(4788)
3	07/19/2002	(1841)
4	12/07/2004	(341250)
5	09/10/2002	(156199)
6	08/04/2003	(144785)
7	08/15/2005	(404916)
8	10/10/2005	(431795)
9	05/27/2004	(143412)
10	04/27/2006	(439800)
11	08/31/2004	(271505)
12	05/02/2005	(372107)
13	11/11/2004	(290238)
14	12/28/2005	(434541)
15	08/07/2002	(156196)
16	02/01/2006	(468142)
17	03/16/2005	(347527)
18	03/17/2006	(468143)
19	05/03/2005	(376226)
20	10/10/2005	(468144)
21	08/18/2003	(112865)
22	11/07/2005	(468145)
23	01/19/2006	(468146)
24	08/24/2005	(405604)

25	10/15/2004	(282886)
26	02/28/2006	(457235)
27	06/30/2006	(469140)
28	02/15/2005	(381700)
29	07/08/2002	(156192)
30	03/21/2005	(381701)
31	04/14/2005	(376977)
32	06/07/2005	(395018)
33	10/19/2004	(335898)
34	01/18/2005	(381702)
35	11/11/2004	(292704)
36	08/31/2002	(10045)
37	08/25/2005	(404773)
38	02/02/2007	(435323)
39	05/26/2005	(337173)
40	06/17/2002	(156189)
41	08/16/2004	(260979)
42	10/30/2006	(511654)
43	11/14/2004	(271509)
44	08/18/2005	(404363)
45	07/17/2006	(485790)
46	05/31/2006	(480504)
47	05/07/2002	(156186)
48	08/18/2005	(404331)
49	04/10/2006	(498011)
50	12/28/2004	(278159)
51	05/10/2006	(498012)
52	06/15/2006	(498013)
53	12/14/2004	(342195)
54	02/25/2006	(456998)
55	12/02/2005	(431511)
56	02/03/2004	(252543)
57	06/21/2005	(379593)
58	04/08/2003	(156183)
59	08/16/2004	(260585)
60	04/19/2005	(376798)
61	04/21/2003	(29841)
62	07/28/2006	(463199)
63	02/23/2004	(4691)
64	08/31/2002	(10424)
65	08/31/2004	(289666)
66	02/24/2004	(263274)
67	10/28/2005	(432450)
68	04/18/2005	(419493)
69	03/10/2003	(156179)
70	09/11/2006	(489202)
71	05/24/2005	(419494)
72	03/08/2002	(156178)
73	05/31/2006	(480500)
74	06/14/2006	(479843)
75	06/20/2005	(419495)
76	01/25/2007	(512685)
77	08/08/2006	(489220)
78	07/25/2005	(419496)
79	06/29/2006	(458901)
80	07/22/2005	(400281)
81	02/09/2004	(294599)
82	02/20/2003	(156176)
83	02/18/2003	(24723)
84	02/19/2002	(156175)
85	08/18/2006	(396831)
86	05/26/2005	(349881)
87	03/09/2004	(294603)

88	06/15/2006	(481316)
89	02/25/2006	(457020)
90	04/16/2004	(294604)
91	05/13/2003	(294606)
92	10/31/2005	(432333)
93	06/16/2003	(294608)
94	08/31/2004	(292409)
95	09/01/2004	(276631)
96	05/20/2004	(351815)
97	07/31/2003	(35420)
98	08/31/2002	(9990)
99	07/07/2003	(294610)
100	02/29/2004	(262038)
101	10/28/2002	(13011)
102	06/14/2004	(351816)
103	11/11/2004	(291091)
104	08/12/2003	(294612)
105	02/25/2006	(457004)
106	04/20/2006	(437368)
107	08/24/2005	(405556)
108	03/29/2005	(375273)
109	05/31/2006	(480503)
110	09/10/2003	(294614)
111	12/09/2004	(342162)
112	08/11/2004	(286666)
113	03/14/2002	(IE0000445008001)
114	07/22/2004	(351817)
115	04/22/2005	(349552)
116	08/01/2002	(3456)
117	07/26/2006	(520029)
118	08/11/2004	(288389)
119	11/23/2005	(435308)
120	10/14/2003	(294616)
121	08/11/2006	(520030)
122	01/13/2003	(156214)
123	01/05/2004	(252510)
124	05/31/2006	(480506)
125	07/07/2005	(379524)
126	01/30/2004	(258069)
127	11/18/2004	(340059)
128	08/16/2004	(351818)
129	08/19/2004	(261725)
130	05/14/2004	(264609)
131	11/12/2003	(294617)
132	05/25/2005	(379525)
133	04/14/2005	(372794)
134	08/06/2003	(144511)
135	12/16/2003	(294618)
136	11/25/2002	(12940)
137	01/08/2004	(294619)
138	06/15/2006	(461559)
139	09/15/2004	(351819)
140	03/21/2003	(27575)
141	12/16/2002	(156210)
142	05/20/2005	(381195)
143	01/09/2007	(532009)
144	01/28/2005	(345654)
145	08/31/2002	(10142)
146	11/22/2004	(341679)
147	08/11/2004	(287948)
148	10/18/2004	(351820)
149	05/31/2006	(480494)
150	12/03/2004	(269989)

151 10/06/2006 (489212)  
 152 08/31/2002 (10031)  
 153 11/14/2002 (156206)  
 154 08/24/2004 (271493)  
 155 08/24/2005 (440650)  
 156 02/02/2005 (347718)  
 157 11/18/2004 (351821)  
 158 09/19/2005 (440651)  
 159 02/02/2007 (511662)  
 160 12/27/2004 (351822)  
 161 12/16/2004 (285369)  
 162 01/05/2005 (21204)  
 163 10/19/2004 (336015)  
 164 10/08/2002 (156202)

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

Date 07/06/2005 (379524)  
 Self Report? NO Classificati Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT Special Condition 15E  
 Description: Failed to keep a cap or plug on open-ended line ID # 501010 and open-ended valve # 614862.

Self Report? NO Classificati Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6[G]  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT Special Condition 15E  
 Description: Failed to keep a cap or plug on open-ended valves ID # 501010 and # 270505.

Date 11/30/2004 (351822)  
 Self Report? YES Classificati Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter

Date 10/28/2002 (13011)  
 Self Report? NO Classificati Moderate

Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(1)(A)  
 Description: Failure to inspect the ground storage tanks (1&2) at least annually.

Date 08/01/2006 (463199)  
 Self Report? NO Classificati Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 115, SubChapter D 115.352(4)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)  
 Rqmt Prov: PA 2167 and PSD-TX-985, SC 15E  
 Description: Failure to cap/plug open-ened line

Self Report? NO Classificati Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)  
 Description: Leaking plug associated with valve #802412.

Self Report? NO Classificati Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 115, SubChapter D 115.354(2)(C)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)  
 Rqmt Prov: PA 2167 and PSD-TX-985, SC 15F  
 Description: Failure to monitor valves

Date 08/18/2003 (112865)

Self Report? NO

Classificati Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)[G]

Description: During this investigation, it was found LCR failed to provide proper notification of all current solid waste activities to the TCEQ.

Date 08/18/2006 (396831)

Self Report? NO

Classificati Moderate

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

Rqmt Prov: PERMIT Flexible Permit No. 2167, SC #1.

Description: The RE failed to prevent unauthorized emissions from a leaking pipe.

Date 08/16/2004 (260585)

Self Report? NO

Classificati Moderate

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

Rqmt Prov: PERMIT TCEQ FLEXIBLE AIR PERMIT 2167, SC #1

Description: Exceeded VOC permit limit during an avoidable emissions event.

Self Report? NO

Classificati Minor

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

Description: Failure to submit an administratively complete final emissions event report.

Date 11/14/2004 (271509)

Self Report? NO

Classificati Moderate

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

Rqmt Prov: PERMIT Flexible No. 2167 and PSD-TX-985, S.C. 1

Description: Exceeded VOC permit limits during an avoidable emissions event.

Self Report? NO

Classificati Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(c)

Description: Failure to submit a final report within 14 days of the end of an emissions event.

Date 08/09/2006 (489220)

Self Report? NO

Classificati Moderate

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

Rqmt Prov: PERMIT TCEQ Flexible Permit #2167, SC#1

Description: Failure to prevent the disconnection of a pressure indication instrument.

Date 07/31/2005 (440650)

Self Report? YES

Classificati Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date 05/14/2004 (264609)

Self Report? NO

Classificati Moderate

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

Rqmt Prov: PERMIT Permit #2167, Special Condition #1

Description: Exceeded VOC permit limit during an emissions event.

Date 05/02/2005 (372107)

Self Report? NO

Classificati Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.219(f)(10)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to record the times of operation for testing and maintenance for diesel engines subject to the restriction on hours of operation.

Date 07/19/2002 (1841)  
Self Report? NO Classificati Moderate  
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
Description: Unexempted upset emissions exceeded emission limits for SO2 and H2S under Permit No. 2167, Special Condition 1.

Date 02/03/2004 (252543)  
Self Report? NO Classificati Moderate  
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT 2167, Special Condition #1  
Description: Lyondell failed to comply with the Special Conditions of permit 2167. Improper trim adjustment on a control valve caused temperature and pressure to increase above the PSV setpoint.

Date 08/16/2004 (260979)  
Self Report? NO Classificati Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)  
Description: Failure to comply with emissions events reporting requirements.

Date 12/09/2004 (342162)  
Self Report? NO Classificati Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
Rqmt Prov: PA Special Conditon #1  
Description: Failure to control unauthorized emissions.

Date 06/30/2006 (520029)  
Self Report? YES Classificati Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date 05/26/2005 (379525)  
Self Report? NO Classificati Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Description: Failure to control knockout pot level on south compressor.

Date 07/31/2006 (520030)  
Self Report? YES Classificati Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date 02/29/2004 (262038)  
Self Report? NO Classificati Moderate  
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT TCEQ FLEXIBLE AIR PERMIT #2167, SC #1  
Description: Lyondell exceeded permit limits during an emissions event.

Date 08/18/2004 (261725)  
Self Report? NO Classificati Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT TCEQ Flexible Air Permit #2167, SC #1  
Description: Failure to submit an administratively complete final emissions event report.

Date 06/13/2006 (479843)

Self Report? NO

Classificati Moderate

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

Rqmt Prov: PERMIT TCEQ Flexible Permit #2167, SC #1

Description: Lyondell failed to prevent the "Y Train" from overpressuring.

F. Environmental audits.

Notice of Intent Date: 01/05/2004 (263563)

No DOV Associated

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



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision February 15, 2005

**TCEQ**

DATES	Assigned	26-Oct-2006	Screening	2-Nov-2006	EPA Due	
	PCW	3-Nov-2006				

<b>RESPONDENT/FACILITY INFORMATION</b>	
Respondent	Houston Refining, LP
Reg. Ent. Ref. No.	RN100218130
Facility/Site Region	12-Houston
Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	31639	No. of Violations	2
Docket No.	2006-1948-AIR-E	Order Type	Findings
Media Program(s)	Air Quality	Enf. Coordinator	Trina Grieco
Multi-Media		EC's Team	Enforcement Team 6
Admin. Penalty \$	Limit Minimum \$0	Maximum	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	<b>\$10,000</b>
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<b>ADJUSTMENTS (+/-) TO SUBTOTAL 1</b>			
Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.			
<b>Compliance History</b>	<b>315% Enhancement</b>	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$31,500</b>

Notes: Penalty enhancement due to 8 NOVs for the same or similar violations, 13 NOVs for nonsimilar violations (which includes 3 months of self-reported effluent violations), 6 agreed orders with denial of liability, 4 agreed orders without denial of liability, and one Court Order. Penalty reduction due to one Notice of Audit submitted.

<b>Culpability</b>	No	<b>0% Enhancement</b>	<b>Subtotal 4</b>	<b>\$0</b>
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Notes: Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply</b>		<b>0% Reduction</b>	<b>Subtotal 5</b>	<b>\$0</b>
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	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes: The Respondent does not meet the Good Faith Effort criteria.

		<b>0% Enhancement*</b>	<b>Subtotal 6</b>	<b>\$0</b>
Total EB Amounts	\$122	*Capped at the Total EB \$ Amount		
Approx. Cost of Compliance	\$2,500			

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	<b>\$41,500</b>
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>		<b>Adjustment</b>	<b>\$0</b>
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes:

<b>Final Penalty Amount</b>	<b>\$41,500</b>
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	<b>\$20,000</b>
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<b>DEFERRAL</b>	<b>0% Reduction</b>	<b>Adjustment</b>	<b>\$0</b>
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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.

PCW #2

PAYABLE PENALTY

\$20,000

Screening Date 2-Nov-2006

Docket No. 2006-1948-AIR-E

PCW

Respondent Houston Refining, LP

Policy Revision 2 (September 2002)

Case ID No. 31639

PCW Revision February 15, 2005

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator Trina Grieco

### 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 (number of NOVs meeting criteria)	8	40%
	Other written NOVs	13	26%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	6	120%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	4	100%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	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	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) 315%

>> 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 enhancement due to 8 NOVs for the same or similar violations, 13 NOVs for nonsimilar violations (which includes 3 months of self-reported effluent violations), 6 agreed orders with denial of liability, 4 agreed orders without denial of liability, and one Court Order. Penalty reduction due to one Notice of Audit submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 315%

Screening Date 2-Nov-2006

Docket No. 2006-1948-AIR-E

PCW

Respondent Houston Refining, LP

Policy Revision 2 (September 2002)

Case ID No. 31639

PCW Revision February 15, 2005

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator Trina Grieco

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a) and 101.20(3), Flexible Air Permit No. 2167/PSD-TX-985, Special Condition 1 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 4,557.5 pounds ("lbs") of volatile organic compounds ("VOCs") were released from the pressure safety valve, emissions point number ("EPN") 732PSV1650, in the 732 Fluid Catalytic Cracking Unit ("FCCU") during an emissions event that occurred on June 25, 2006 and lasted 10 minutes (Incident No. 77611). Since this emissions event was avoidable, the Respondent 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 in the Houston-Galveston-Brazoria nonattainment area has been exposed 2.28 tons of pollutants, which included 1,351 lbs of highly reactive VOCs, which did not exceed levels that are protective of human health or environmental receptors.

Adjustment \$5,000

\$5,000

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 \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$97

Violation Final Penalty Total \$20,750

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

## Economic Benefit Worksheet

**Respondent:** Houston Refining, LP  
**Case ID No.:** 31639  
**Reg. Ent. Reference No.:** RN100218130  
**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
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				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	25-Jun-2006	15-Jun-2007	1.0	\$97	n/a	\$97

Notes for DELAYED costs

Estimated cost of oversight and training necessary to prevent the emissions event. Date required is the date of the emissions event. Final date is the projected date of corrective action documentation.

### 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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

**TOTAL**

\$97

Screening Date 2-Nov-2006

Docket No. 2006-1948-AIR-E

PCW

Respondent Houston Refining, LP

Policy Revision 2 (September 2002)

Case ID No. 31639

PCW Revision February 15, 2005

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator Trina Grieco

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a) and 101.20(3), Flexible Air Permit No. 2167/PSD-TX-985, Special Condition 1 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 276 lbs of sulfur dioxide ("SO2") were released from the 435 Thermal Oxidizer Stack ("TOS"), Emission Point Number ("EPN") 435SP1403, and 3,931 lbs of SO2 were released from the 440 TOS, EPN 440SP2010, in the Sulfur Recovery Complex during an emissions event that occurred on June 20, 2006 and lasted 2 hours and 35 minutes (Incident No. 77384). Since this emissions event was avoidable, the Respondent 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	Harm		
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment in the Houston-Galveston-Brazoria nonattainment area has been exposed 2.10 tons of pollutants which did not exceed levels that are protective of human health or environmental receptors.

Adjustment \$5,000

\$5,000

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 \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$25

Violation Final Penalty Total \$20,750

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

## Economic Benefit Worksheet

**Respondent** Houston Refining, LP  
**Case ID No.** 31639  
**Reg. Ent. Reference No.** RN100218130  
**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
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	\$500	20-Jun-2006	15-Jun-2007	1.0	\$25	n/a	\$25
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 to train personnel to conduct more thorough inspections of bus ducts to include moisture evaluation. Date required based on the date of the release. Final date is the projected date of corrective action documentation.

### 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
				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

**TOTAL**

\$25

# Compliance History

Customer/Respondent/Owner-Operator: CN601313083 Houston Refining, LP Classification: AVERAGE Rating: 6.67  
 Regulated Entity: RN100218130 HOUSTON REFINING Classification: AVERAGE Site Rating: 6.67

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0048L
	AIR OPERATING PERMITS	PERMIT	1372
	PETROLEUM STORAGE TANK	REGISTRATION	39953
	REGISTRATION		
	AIR NEW SOURCE PERMITS	PERMIT	2167
	AIR NEW SOURCE PERMITS	PERMIT	3844
	AIR NEW SOURCE PERMITS	PERMIT	26987
	AIR NEW SOURCE PERMITS	PERMIT	31955
	AIR NEW SOURCE PERMITS	PERMIT	38735
	AIR NEW SOURCE PERMITS	PERMIT	43445
	AIR NEW SOURCE PERMITS	PERMIT	44938
	AIR NEW SOURCE PERMITS	PERMIT	46595
	AIR NEW SOURCE PERMITS	PERMIT	49678
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0048L
	AIR NEW SOURCE PERMITS	REGISTRATION	54769
	AIR NEW SOURCE PERMITS	REGISTRATION	55719
	AIR NEW SOURCE PERMITS	REGISTRATION	75386
	AIR NEW SOURCE PERMITS	AFS NUM	0040
	AIR NEW SOURCE PERMITS	PERMIT	50839
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX985
	AIR NEW SOURCE PERMITS	REGISTRATION	71613
	AIR NEW SOURCE PERMITS	PERMIT	56586
	AIR NEW SOURCE PERMITS	PERMIT	71380
	AIR NEW SOURCE PERMITS	REGISTRATION	74743
	AIR NEW SOURCE PERMITS	REGISTRATION	76934
	AIR NEW SOURCE PERMITS	REGISTRATION	78506
	WASTEWATER	PERMIT	WQ0000392000
	WASTEWATER	PERMIT	TPDES0003247
	WASTEWATER	EPA ID	TPDES0003247
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011570
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011570
	INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD082688979
	GENERATION		
	INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION #	30092
	GENERATION	(SWR)	
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50106
	STORAGE		
	WATER LICENSING	LICENSE	1011570
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION #	30092
		(SWR)	
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50106
	POST CLOSURE		
	INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50106000
	COMPLIANCE PLANS		

Location: 12000 LAWNSDALE ST # 14, HOUSTON, TX, 77017 Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: October 26, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: October 26, 2001 to October 26, 2006

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

Name: Trina Grieco Phone: (210) 403-4006

### 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

CH #2

**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: 08/07/2005

ADMINORDER 2004-2002-AIR-E

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: Special Condition No. 1 PERMIT

Description: Failed to comply with permitted emissions limits.

Classification: Minor

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

Description: Failed to submit the initial report for the reportable emission event that occurred on September 1, 2004 in a timely manner.

Effective Date: 05/28/2006

ADMINORDER 2005-1985-AIR-E

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: TCEQ Flexible Permit #2167, SC #1 PERMIT

Description: Failed to prevent unauthorized emissions.

Effective Date: 07/01/2004

ADMINORDER 2003-1418-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: Special Condition No. 1 PERMIT

Description: Allowed an unauthorized release of SO<sub>2</sub>, H<sub>2</sub>S, and SO<sub>3</sub> from the Sulfur Recovery Complex. Specifically, an emissions event occurred on December 19, 2002 which resulted in excess emissions of 85,009 lbs of SO<sub>2</sub>, 1,869 lbs of H<sub>2</sub>S, and 2,426 lbs of SO<sub>3</sub>.

Effective Date: 02/05/2006

ADMINORDER 2005-0754-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.716(a)[G]

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

Rqmt Prov: SC 1 PERMIT

Description: Failed to comply with permitted emissions limits.

Effective Date: 04/10/2005

ADMINORDER 2004-0866-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: PSD-TX-985, Special Condition 1 PERMIT

Description: Exceeded VOC emissions limit for TCEQ Flexible Permit #2167 during an emissions event.

Effective Date: 08/22/2002

ADMINORDER 2001-0072-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(2)(C)  
40 CFR Part 60, Subpart J 60.105(a)(1)

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

Description: Failed to install a COMS in the fluid catalytic cracking unit regeneration stack to continuously monitor and record opacity of emissions, from 10/95 thru 3/00.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.13(b)

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

Description: Failed to use the appropriate low span daily calibration gas for the continuous emission monitoring system (CEMS) that measures hydrogen sulfide in the fuel gas, and by failing to use the appropriate high span standard gas during the first qtr 1998.

Classification: Moderate

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

Description: Allowed unauthorized emissions from the 736 Coker Unit fire at the "B" drum on May 7, 1999.

Classification: Moderate

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

Rqmt Prov: SC15 PERMIT

Description: Failed to properly calibrate the Predictive Emissions Monitoring System (PEMS) on the 537 Crude Unit F1 Heater to determine in-stack emissions of oxides of nitrogen and oxygen.

Effective Date: 12/15/2005 ADMINORDER 2005-1172-AIR-E

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: Flexible Permit No. 2167, SC #1. PERMIT

Description: Failed to comply with permitted emissions limits.

Effective Date: 12/05/2003 COURTORDER

Classification: Major

Citation: 30 TAC Chapter 101, SubChapter A 101.4  
30 TAC Chapter 116, SubChapter G 116.715(a)

Rqmt Prov: SC 1 PERMIT

Description: Emissions of sulfur dioxide and hydrogen sulfide into the air at such concentration as to adversely affect human health or welfare or as to interfere with the reasonable use and enjoyment of property.

Effective Date: 08/07/2003 ADMINORDER 2002-1040-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to monitor 368 valves in the Benzene and Toluene Unit in VOC service.

Effective Date: 02/20/2006 ADMINORDER 2005-0359-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #2 PA  
Flexible Permit #2167, SC#26 PA

Description: Failed to limit the hydrogen sulfide ("H2S") concentration in the fuel gas to no more than 160 parts per million ("ppm") on a three-hour rolling average basis.

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: Flexible Permit #2167, SC #44B PA

Description: Failed to operate the Wet Gas Scrubber (EPN 732 COB) at a minimum pressure drop across the scrubber of 0.91 pounds per square inch ("psi") and at a minimum liquid-to-gas ratio ("L/G") of 16.0 gallons per 1,000 actual cubic feet.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.103(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #2 PA

Description: Failed to maintain a maximum hourly average carbon monoxide ("CO") concentration of no more than 500 parts per million volume ("ppmv") from the FCCU Catalyst Regenerator Stack (EPN 732-COB)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)

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

Rqmt Prov: Special Condition 47 PERMIT

Description: Failed to note daily flare observations in the Flare Observation Log and failed to maintain monitoring records for a flare's pilot flame.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
30 TAC Chapter 101, SubChapter A 101.20(3)

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

Rqmt Prov: Flexible Permit #2167, SC #14.I PA

Description: Failed to repair three valves within 15 days of leak detection

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: Flexible Permit #2167, SC #37 PA

Description: Failed to maintain the sulfur dioxide ("SO2") concentration in the exhaust gas of the #435 and #440 Tail Gas Thermal Oxidizers (EPNs TGU-ICN and TGU-ICN2) below 235 ppmv on a one-hour average basis.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 115, SubChapter B 115.114(a)(1)

30 TAC Chapter 115, SubChapter B 115.114(a)(2)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(a)(2)(i)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(b)(1)(iii)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #4 PA

Description: Failed to conduct the required inspections for three storage tanks.

Effective Date: 06/15/2006

ADMINORDER 2005-2073-AIR-E

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: TCEQ Permit #2167, SC#1 PERMIT

Description: Failed to prevent unauthorized emissions.

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	01/06/2003	(10859)
2	08/31/2002	(4788)
3	07/19/2002	(1841)
4	12/07/2004	(341250)
5	09/10/2002	(156199)
6	08/04/2003	(144785)
7	08/15/2005	(404916)
8	10/10/2005	(431795)
9	05/27/2004	(143412)
10	04/27/2006	(439800)
11	08/31/2004	(271505)
12	05/02/2005	(372107)

13	11/11/2004	(290238)
14	12/28/2005	(434541)
15	08/07/2002	(156196)
16	02/01/2006	(468142)
17	03/16/2005	(347527)
18	03/17/2006	(468143)
19	05/03/2005	(376226)
20	10/10/2005	(468144)
21	08/18/2003	(112865)
22	11/07/2005	(468145)
23	01/19/2006	(468146)
24	08/24/2005	(405604)
25	10/15/2004	(282886)
26	02/28/2006	(457235)
27	06/30/2006	(469140)
28	02/15/2005	(381700)
29	07/08/2002	(156192)
30	03/21/2005	(381701)
31	04/14/2005	(376977)
32	06/07/2005	(395018)
33	10/19/2004	(335898)
34	01/18/2005	(381702)
35	11/11/2004	(292704)
36	08/31/2002	(10045)
37	08/25/2005	(404773)
38	05/26/2005	(337173)
39	06/17/2002	(156189)
40	08/16/2004	(260979)
41	11/14/2004	(271509)
42	08/18/2005	(404363)
43	07/17/2006	(485790)
44	05/31/2006	(480504)
45	05/07/2002	(156186)
46	08/18/2005	(404331)
47	04/10/2006	(498011)
48	12/28/2004	(278159)
49	05/10/2006	(498012)
50	06/15/2006	(498013)
51	12/14/2004	(342195)
52	02/25/2006	(456998)
53	12/02/2005	(431511)
54	02/03/2004	(252543)
55	06/21/2005	(379593)
56	04/08/2003	(156183)
57	08/16/2004	(260585)
58	04/19/2005	(376798)
59	04/21/2003	(29841)
60	07/28/2006	(463199)
61	02/23/2004	(4691)
62	08/31/2002	(10424)
63	08/31/2004	(289666)
64	02/24/2004	(263274)
65	10/28/2005	(432450)
66	04/18/2005	(419493)
67	03/10/2003	(156179)
68	09/11/2006	(489202)
69	05/24/2005	(419494)
70	03/08/2002	(156178)
71	05/31/2006	(480500)
72	06/14/2006	(479843)
73	06/20/2005	(419495)
74	08/08/2006	(489220)
75	07/25/2005	(419496)
76	06/29/2006	(458901)
77	07/22/2005	(400281)
78	02/09/2004	(294599)
79	02/20/2003	(156176)
80	02/18/2003	(24723)
81	02/19/2002	(156175)
82	08/18/2006	(396831)

83	05/26/2005	(349881)
84	03/09/2004	(294603)
85	06/15/2006	(481316)
86	02/25/2006	(457020)
87	04/16/2004	(294604)
88	05/13/2003	(294606)
89	10/31/2005	(432333)
90	06/16/2003	(294608)
91	08/31/2004	(292409)
92	09/01/2004	(276631)
93	05/20/2004	(351815)
94	07/31/2003	(35420)
95	08/31/2002	(9990)
96	07/07/2003	(294610)
97	02/29/2004	(262038)
98	10/28/2002	(13011)
99	06/14/2004	(351816)
100	11/11/2004	(291091)
101	08/12/2003	(294612)
102	02/25/2006	(457004)
103	04/20/2006	(437368)
104	08/24/2005	(405556)
105	03/29/2005	(375273)
106	05/31/2006	(480503)
107	09/10/2003	(294614)
108	12/09/2004	(342162)
109	08/11/2004	(286666)
110	03/14/2002	(IE0000445008001)
111	07/22/2004	(351817)
112	04/22/2005	(349552)
113	08/01/2002	(3456)
114	08/11/2004	(288389)
115	11/23/2005	(435308)
116	10/14/2003	(294616)
117	01/13/2003	(156214)
118	01/05/2004	(252510)
119	05/31/2006	(480506)
120	07/07/2005	(379524)
121	01/30/2004	(258069)
122	11/18/2004	(340059)
123	08/16/2004	(351818)
124	01/15/2002	(156213)
125	08/19/2004	(261725)
126	05/14/2004	(264609)
127	11/12/2003	(294617)
128	05/25/2005	(379525)
129	04/14/2005	(372794)
130	08/06/2003	(144511)
131	12/16/2003	(294618)
132	11/25/2002	(12940)
133	01/08/2004	(294619)
134	06/15/2006	(461559)
135	09/15/2004	(351819)
136	03/21/2003	(27575)
137	12/16/2002	(156210)
138	05/20/2005	(381195)
139	12/17/2001	(156209)
140	01/28/2005	(345654)
141	08/31/2002	(10142)
142	11/22/2004	(341679)
143	08/11/2004	(287948)
144	10/18/2004	(351820)
145	05/31/2006	(480494)
146	12/03/2004	(269989)
147	10/06/2006	(489212)
148	08/31/2002	(10031)
149	11/14/2002	(156206)
150	08/24/2004	(271493)
151	08/24/2005	(440650)
152	02/02/2005	(347718)

153 11/18/2004 (351821)  
154 09/19/2005 (440651)  
155 11/08/2001 (156205)  
156 12/27/2004 (351822)  
157 12/16/2004 (285369)  
158 01/05/2005 (21204)  
159 10/19/2004 (336015)  
160 10/08/2002 (156202)

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

Date: 07/06/2005 (379524)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT IA  
Description: Failed to keep a cap or plug on open-ended line ID # 501010 and open-ended valve # 614862.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6[G]  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT IA  
Description: Failed to keep a cap or plug on open-ended valves ID # 501010 and # 270505.

Date: 11/30/2004 (351822)  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date: 10/28/2002 (13011)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(1)(A)  
Description: Failure to inspect the ground storage tanks (1&2) at least annually.

Date: 08/01/2006 (463199)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 115, SubChapter D 115.352(4)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)  
Rqmt Prov: PA IA  
Description: Failure to cap/plug open-ened line  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)  
Description: Leaking plug associated with valve #802412.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 115, SubChapter D 115.354(2)(C)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)  
Rqmt Prov: PA IA  
Description: Failure to monitor valves

Date: 08/18/2003 (112865)  
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)[G]  
Description: During this investigation, it was found LCR failed to provide proper notification of all current solid waste activities to the TCEQ.

Date: 08/18/2006 (396831)  
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: The RE failed to prevent unauthorized emissions from a leaking pipe.

Date: 08/16/2004 (260585)  
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.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b){8}  
Description: Failure to submit an administratively complete final emissions event report.

Date: 11/14/2004 (271509)  
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 limits during an avoidable emissions event.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(c)  
Description: Failure to submit a final report within 14 days of the end of an emissions event.

Date: 08/09/2006 (489220)  
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: Failure to prevent the disconnection of a pressure indication instrument.

Date: 07/31/2005 (440650)  
Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date: 05/14/2004 (264609)  
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 emissions event.

Date: 05/02/2005 (372107)  
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.219(f){10}  
5C THC Chapter 382, SubChapter A 382.085(b)  
Description: Failure to record the times of operation for testing and maintenance for diesel

engines subject to the restriction on hours of operation.

Date: 07/19/2002 (1841)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
Description: Unexempted upset emissions exceeded emission limits for SO2 and H2S under Permit No. 2167, Special Condition 1.

Date: 02/03/2004 (252543)  
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: Lyondell failed to comply with the Special Conditions of permit 2167. Improper trim adjustment on a control valve caused temperature and pressure to increase above the PSV setpoint.

Date: 08/16/2004 (260979)  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)  
Description: Failure to comply with emissions events reporting requirements.

Date: 12/09/2004 (342162)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
Rqmt Prov: PA IA  
Description: Failure to control unauthorized emissions.

Date: 05/26/2005 (379525)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Description: Failure to control knockout pot level on south compressor.

Date: 02/29/2004 (262038)  
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: Lyondell exceeded permit limits during an emissions event.

Date: 11/30/2001 (156209)  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date: 08/18/2004 (261725)  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT IA  
Description: Failure to submit an administratively complete final emissions event report.

Date: 06/13/2006 (479843)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)

Rqmt Prov: PERMIT IA

Description: Lyondell failed to prevent the "Y Train" from overpressuring.

F. Environmental audits.

Notice of Intent Date: 01/05/2004

(263563)

No DOV Associated

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



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision December 8, 2006

**TCEQ**

<b>DATES</b>	Assigned	22-Jan-2007		
	PCW	31-Jan-2007	Screening	31-Jan-2007
	EPA Due			

<b>RESPONDENT/FACILITY INFORMATION</b>			
Respondent	Houston Refining, LP		
Reg. Ent. Ref. No.	RN100218130		
Facility/Site Region	12-Houston	Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	32480	No. of Violations	1
Docket No.	2006-1948-AIR-E	Order Type	Findings
Media Program(s)	Air Quality	Enf. Coordinator	Nadia Hameed
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** **Subtotals 2, 3, & 7**

Notes: Penalty enhancement due to 8 NOVs for the same or similar violations, 14 NOVs for non-similar violations (which includes 4 months of self-reported effluent violations), 6 agreed orders with denial of liability, 4 agreed orders without denial of liability, and one Court Order. Penalty reduction due to one Notice of Audit submitted.

**Culpability** **Subtotal 4**

Notes: Respondent does not meet the culpability criteria.

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

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

Notes: The Respondent completed corrective actions on October 3, 2006.

**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** **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**

PCW #3

Screening Date 31-Jan-2007

Docket No. 2006-1948-AIR-E

PCW

Respondent Houston Refining, LP

Policy Revision 2 (September 2002)

Case ID No. 32480

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator Nadia Hameed

**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 (number of NOVs meeting criteria)	8	40%
	Other written NOVs	14	28%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	6	120%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	4	100%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	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	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) 317%

>> 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 enhancement due to 8 NOVs for the same or similar violations, 14 NOVs for non-similar violations (which includes 4 months of self-reported effluent violations), 6 agreed orders with denial of liability, 4 agreed orders without denial of liability, and one Court Order. Penalty reduction due to one Notice of Audit submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 317%

Screening Date 31-Jan-2007

Docket No. 2006-1948-AIR-E

PCW

Respondent Houston Refining, LP

Policy Revision 2 (September 2002)

Case ID No. 32480

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator Nadia Hameed

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Flexible Air Permit No. 2167/PSD-TX-985, Special Condition 1 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 2,608.50 pounds ("lbs") of sulfur dioxide were released when a console operator for 635 HDS Unit inadvertently opened the wrong valve, resulting in an emissions event that occurred on October 2, 2006, and lasted for one hour (Incident No. 82077). Since this emissions event was avoidable, the Respondent 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	25%
Potential					

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment in the Houston-Galveston-Brazoria nonattainment area has been exposed to 2,608.50 pounds of sulfur dioxide, which did not exceed levels that are protective of human health or environmental receptors.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 1

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 \$0

Violation Final Penalty Total \$9,800

This violation Final Assessed Penalty (adjusted for limits) \$9,800

## Economic Benefit Worksheet

**Respondent:** Houston Refining, LP  
**Case ID No.:** 32480  
**Reg. Ent. Reference No.:** RN100218130  
**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
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

### 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	2-Oct-2006	3-Oct-2006	0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost of corrective actions necessary to prevent the emissions event. Date required is the date of the emissions event. Final date is when the corrective actions were completed.

### 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

\$0

# Compliance History

Customer/Respondent/Owner-Operator: CN601313083 Houston Refining, LP Classification: AVERAGE Rating: 6.67  
 Regulated Entity: RN100218130 LYONDELL-CITGO REFINING Classification: AVERAGE Site Rating: 6.67

AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0048L
AIR OPERATING PERMITS	PERMIT	1372
PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	39953
AIR NEW SOURCE PERMITS	PERMIT	2167
AIR NEW SOURCE PERMITS	PERMIT	3844
AIR NEW SOURCE PERMITS	PERMIT	26987
AIR NEW SOURCE PERMITS	PERMIT	31955
AIR NEW SOURCE PERMITS	PERMIT	38735
AIR NEW SOURCE PERMITS	PERMIT	43445
AIR NEW SOURCE PERMITS	PERMIT	44938
AIR NEW SOURCE PERMITS	PERMIT	46595
AIR NEW SOURCE PERMITS	PERMIT	49678
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0048L
AIR NEW SOURCE PERMITS	REGISTRATION	54769
AIR NEW SOURCE PERMITS	REGISTRATION	55719
AIR NEW SOURCE PERMITS	REGISTRATION	75386
AIR NEW SOURCE PERMITS	AFS NUM	0040
AIR NEW SOURCE PERMITS	PERMIT	50839
AIR NEW SOURCE PERMITS	EPA ID	PSDTX985
AIR NEW SOURCE PERMITS	REGISTRATION	71613
AIR NEW SOURCE PERMITS	PERMIT	56586
AIR NEW SOURCE PERMITS	PERMIT	71380
AIR NEW SOURCE PERMITS	REGISTRATION	74743
AIR NEW SOURCE PERMITS	REGISTRATION	76934
AIR NEW SOURCE PERMITS	REGISTRATION	78506
AIR NEW SOURCE PERMITS	REGISTRATION	80698
WASTEWATER	PERMIT	WQ0000392000
WASTEWATER	PERMIT	TPDES0003247
WASTEWATER	EPA ID	TPDES0003247
PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011570
PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011570
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD082688979
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30092
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50106
WATER LICENSING	LICENSE	1011570
IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30092
INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE	PERMIT	50106
INDUSTRIAL AND HAZARDOUS WASTE COMPLIANCE PLANS	PERMIT	50106000

ID Number(s):

Location: 12000 LAWNDALE ST, HOUSTON, TX, 77017 Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: January 31, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: January 31, 2002 to January 31, 2007

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

Name: Nadia Hameed Phone: 713-767-3629

### 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

CH #3

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.

**Findings**

Effective Date: 08/07/2005

ADMINORDER 2004-2002-AIR-E

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: Special Condition No. 1 PERMIT

Description: Failed to comply with permitted emissions limits.

Classification: Minor

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

Description: Failed to submit the initial report for the reportable emission event that occurred on September 1, 2004 in a timely manner.

**Findings**

Effective Date: 05/28/2006

ADMINORDER 2005-1985-AIR-E

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: TCEQ Flexible Permit #2167, SC #1 PERMIT

Description: Failed to prevent unauthorized emissions.

**1660**

Effective Date: 07/01/2004

ADMINORDER 2003-1418-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: Special Condition No. 1 PERMIT

Description: Allowed an unauthorized release of SO<sub>2</sub>, H<sub>2</sub>S, and SO<sub>3</sub> from the Sulfur Recovery Complex. Specifically, an emissions event occurred on December 19, 2002 which resulted in excess emissions of 85,009 lbs of SO<sub>2</sub>, 1,869 lbs of H<sub>2</sub>S, and 2,426 lbs of SO<sub>3</sub>.

**1660**

Effective Date: 02/05/2006

ADMINORDER 2005-0754-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.716(a)[G]

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

Rqmt Prov: SC 1 PERMIT

Description: Failed to comply with permitted emissions limits.

**Findings**

Effective Date: 04/10/2005

ADMINORDER 2004-0866-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: PSD-TX-985, Special Condition 1 PERMIT

Description: Exceeded VOC emissions limit for TCEQ Flexible Permit #2167 during an emissions event.

**1660**

Effective Date: 08/22/2002

ADMINORDER 2001-0072-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(2)(C)  
40 CFR Part 60, Subpart J 60.105(a)(1)

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

Description: Failed to install a COMS in the fluid catalytic cracking unit regeneration stack to continuously monitor and record opacity of emissions, from 10/95 thru 3/00.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.13(b)

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

Description: Failed to use the appropriate low span daily calibration gas for the continuous emission monitoring system (CEMS) that measures hydrogen sulfide in the fuel gas, and by failing to use the appropriate high span standard gas during the first qtr 1998.

Classification: Moderate

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

Description: Allowed unauthorized emissions from the 736 Coker Unit fire at the "B" drum on May 7, 1999.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

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

Rqmt Prov: SC15 PERMIT

Description: Failed to properly calibrate the Predictive Emissions Monitoring System (PEMS) on the 537 Crude Unit F1 Heater to determine in-stack emissions of oxides of nitrogen and oxygen.

**1660**

Effective Date: 12/15/2005

ADMINORDER 2005-1172-AIR-E

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: Flexible Permit No. 2167, SC #1. PERMIT

Description: Failed to comply with permitted emissions limits.

**Court Order**

Effective Date: 12/05/2003

COURTORDER

Classification: Major

Citation: 30 TAC Chapter 101, SubChapter A 101.4  
30 TAC Chapter 116, SubChapter G 116.715(a)

Rqmt Prov: SC 1 PERMIT

Description: Emissions of sulfur dioxide and hydrogen sulfide into the air at such concentration as to adversely affect human health or welfare or as to interfere with the reasonable use and enjoyment of property.

**1660**

Effective Date: 08/07/2003

ADMINORDER 2002-1040-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to monitor 368 valves in the Benzene and Toluene Unit in VOC service.

**1660**

Effective Date: 02/20/2006

ADMINORDER 2005-0359-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)

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

Rqmt Prov: Flexible Permit #2167, SC #2 PA

Flexible Permit #2167, SC#26 PA

Description: Failed to limit the hydrogen sulfide ("H2S") concentration in the fuel gas to no more than 160 parts per million ("ppm") on a three-hour rolling average basis.

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: Flexible Permit #2167, SC #44B PA

Description: Failed to operate the Wet Gas Scrubber (EPN 732 COB) at a minimum pressure drop across the scrubber of 0.91 pounds per square inch ("psi") and at a minimum liquid-to-gas ratio ("L/G") of 16.0 gallons per 1,000 actual cubic feet.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.103(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #2 PA

Description: Failed to maintain a maximum hourly average carbon monoxide ("CO") concentration of no more than 500 parts per million volume ("ppmv") from the FCCU Catalyst Regenerator Stack (EPN 732-COB)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)

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

Rqmt Prov: Special Condition 47 PERMIT

Description: Failed to note daily flare observations in the Flare Observation Log and failed to maintain monitoring records for a flare's pilot flame.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
30 TAC Chapter 101, SubChapter A 101.20(3)

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

Rqmt Prov: Flexible Permit #2167, SC #14.I PA

Description: Failed to repair three valves within 15 days of leak detection

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: Flexible Permit #2167, SC #37 PA

Description: Failed to maintain the sulfur dioxide ("SO<sub>2</sub>") concentration in the exhaust gas of the #435 and #440 Tail Gas Thermal Oxidizers (EPNs TGU-ICN and TGU-ICN2) below 235 ppmv on a one-hour average basis.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 115, SubChapter B 115.114(a)(1)

30 TAC Chapter 115, SubChapter B 115.114(a)(2)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(a)(2)(i)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(b)(1)(iii)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #4 PA

Description: Failed to conduct the required inspections for three storage tanks.

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: TCEQ Permit #2167, SC#1 PERMIT  
Description: Failed to prevent unauthorized emissions.

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 01/06/2003 (10859)  
N/A

2 08/31/2002 (4788)  
3 07/19/2002 (1841)  
4 12/07/2004 (341250)  
5 09/10/2002 (156199)  
6 08/04/2003 (144785)  
7 08/15/2005 (404916)  
8 10/10/2005 (431795)  
9 05/27/2004 (143412)  
10 04/27/2006 (439800)  
11 08/31/2004 (271505)  
12 05/02/2005 (372107)  
13 11/11/2004 (290238)  
14 12/28/2005 (434541)  
15 08/07/2002 (156196)  
16 02/01/2006 (468142)  
17 03/16/2005 (347527)  
18 03/17/2006 (468143)  
19 05/03/2005 (376226)  
20 10/10/2005 (468144)  
21 08/18/2003 (112865)  
22 11/07/2005 (468145)  
23 01/19/2006 (468146)  
24 08/24/2005 (405604)  
25 10/15/2004 (282886)  
26 02/28/2006 (457235)  
27 06/30/2006 (469140)  
28 02/15/2005 (381700)  
29 07/08/2002 (156192)  
30 03/21/2005 (381701)

31 04/14/2005 (376977)  
32 06/07/2005 (395018)  
33 10/19/2004 (335898)  
34 01/18/2005 (381702)  
35 11/11/2004 (292704)  
36 08/31/2002 (10045)  
37 08/25/2005 (404773)  
38 05/26/2005 (337173)  
39 06/17/2002 (156189)  
40 08/16/2004 (260979)  
41 10/30/2006 (511654)  
42 11/14/2004 (271509)  
43 08/18/2005 (404363)  
44 07/17/2006 (485790)  
45 05/31/2006 (480504)  
46 05/07/2002 (156186)  
47 08/18/2005 (404331)  
48 04/10/2006 (498011)  
49 12/28/2004 (278159)

50 05/10/2006 (498012)  
51 06/15/2006 (498013)  
52 12/14/2004 (342195)  
53 02/25/2006 (456998)  
54 12/02/2005 (431511)  
55 02/03/2004 (252543)  
56 06/21/2005 (379593)  
57 04/08/2003 (156183)  
58 08/16/2004 (260585)  
59 04/19/2005 (376798)  
60 04/21/2003 (29841)  
61 07/28/2006 (463199)  
62 02/23/2004 (4691)  
63 08/31/2002 (10424)  
64 08/31/2004 (289666)  
65 02/24/2004 (263274)  
66 10/28/2005 (432450)  
67 04/18/2005 (419493)  
68 03/10/2003 (156179)  
69 09/11/2006 (489202)  
70 05/24/2005 (419494)  
71 03/08/2002 (156178)  
72 05/31/2006 (480500)  
73 06/14/2006 (479843)  
74 06/20/2005 (419495)  
75 01/25/2007 (512685)  
76 08/08/2006 (489220)  
77 07/25/2005 (419496)  
78 06/29/2006 (458901)  
79 07/22/2005 (400281)  
80 02/09/2004 (294599)  
81 02/20/2003 (156176)  
82 02/18/2003 (24723)  
83 02/19/2002 (156175)  
84 08/18/2006 (396831)  
85 05/26/2005 (349881)  
86 03/09/2004 (294603)  
87 06/15/2006 (481316)  
88 02/25/2006 (457020)  
89 04/16/2004 (294604)  
90 05/13/2003 (294606)  
91 10/31/2005 (432333)  
92 06/16/2003 (294608)  
93 08/31/2004 (292409)  
94 09/01/2004 (276631)  
95 05/20/2004 (351815)  
96 07/31/2003 (35420)  
97 08/31/2002 (9990)  
98 07/07/2003 (294610)

99 02/29/2004 (262038)  
100 10/28/2002 (13011)  
101 06/14/2004 (351816)  
102 11/11/2004 (291091)  
103 08/12/2003 (294612)  
104 02/25/2006 (457004)  
105 04/20/2006 (437368)  
106 08/24/2005 (405556)  
107 03/29/2005 (375273)  
108 05/31/2006 (480503)  
109 09/10/2003 (294614)  
110 12/09/2004 (342162)  
111 08/11/2004 (286666)  
112 03/14/2002 (IE0000445008001)  
113 07/22/2004 (351817)

114	04/22/2005	(349552)
115	08/01/2002	(3456)
116	07/26/2006	(520029)
117	08/11/2004	(288389)
118	11/23/2005	(435308)
119	10/14/2003	(294616)
120	08/11/2006	(520030)
121	01/13/2003	(156214)
122	01/05/2004	(252510)
123	05/31/2006	(480506)
124	07/07/2005	(379524)
125	01/30/2004	(258069)
126	11/18/2004	(340059)
127	08/16/2004	(351818)
128	08/19/2004	(261725)
129	05/14/2004	(264609)
130	11/12/2003	(294617)
131	05/25/2005	(379525)
132	04/14/2005	(372794)
133	08/06/2003	(144511)
134	12/16/2003	(294618)
135	11/25/2002	(12940)
136	01/08/2004	(294619)
137	06/15/2006	(461559)
138	09/15/2004	(351819)
139	03/21/2003	(27575)
140	12/16/2002	(156210)
141	05/20/2005	(381195)
142	01/09/2007	(532009)
143	01/28/2005	(345654)
144	08/31/2002	(10142)
145	11/22/2004	(341679)
146	08/11/2004	(287948)
147	10/18/2004	(351820)
148	05/31/2006	(480494)
149	12/03/2004	(269989)
150	10/06/2006	(489212)
151	08/31/2002	(10031)
152	11/14/2002	(156206)
153	08/24/2004	(271493)
154	08/24/2005	(440650)
155	02/02/2005	(347718)
156	11/18/2004	(351821)
157	09/19/2005	(440651)
158	12/27/2004	(351822)
159	12/16/2004	(285369)
160	01/05/2005	(21204)
161	10/19/2004	(336015)
162	10/08/2002	(156202)

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

**NS**

Date: 07/06/2005 (379524)

Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.352(4) 30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT Special Condition 15E		
Description:	Failed to keep a cap or plug on open-ended line ID # 501010 and open-ended valve # 614862.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.352(4) 30 TAC Chapter 116, SubChapter G 116.715(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6[G] 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT Special Condition 15E		

Description: Failed to keep a cap or plug on open-ended valves ID # 501010 and # 270505.  
**DMR** Date: 11/30/2004 (351822)  
 Self Report? YES Classification Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter

**NS** Date: 10/28/2002 (13011)  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(1)(A)  
 Description: Failure to inspect the ground storage tanks (1&2) at least annually.

**S/S** Date: 08/01/2006 (463199)  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 115, SubChapter D 115.352(4)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)  
 Rqmt Prov: PA 2167 and PSD-TX-985, SC 15E  
 Description: Failure to cap/plug open-ened line  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)  
 Description: Leaking plug associated with valve #802412.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 115, SubChapter D 115.354(2)(C)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)  
 Rqmt Prov: PA 2167 and PSD-TX-985, SC 15F  
 Description: Failure to monitor valves

**NS** Date: 08/18/2003 (112865)  
 Self Report? NO Classification Minor  
 Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)[G]  
 Description: During this investigation, it was found LCR failed to provide proper notification of all current solid waste activities to the TCEQ.

**S/S** Date: 08/18/2006 (396831)  
 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 Flexible Permit No. 2167, SC #1.  
 Description: The RE failed to prevent unauthorized emissions from a leaking pipe.

**S/S** Date: 08/16/2004 (260585)  
 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 TCEQ FLEXIBLE AIR PERMIT 2167, SC #1  
 Description: Exceeded VOC permit limit during an avoidable emissions event.  
 Self Report? NO Classification Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)  
 Description: Failure to submit an administratively complete final emissions event report.

**S/S** Date: 11/14/2004 (271509)  
 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 Flexible No. 2167 and PSD-TX-985, S.C. 1  
 Description: Exceeded VOC permit limits during an avoidable emissions event.  
 Self Report? NO Classification Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(c)  
 Description: Failure to submit a final report within 14 days of the end of an emissions event.

**NS** Date: 08/09/2006 (489220)

	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 TCEQ Flexible Permit #2167, SC#1		
	Description:	Failure to prevent the disconnection of a pressure indication instrument.		
<b>DMR</b>	Date:	07/31/2005 (440650)		
	Self Report?	YES	Classification	Moderate
	Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
	Description:	Failure to meet the limit for one or more permit parameter		
<b>S/S</b>	Date:	05/14/2004 (264609)		
	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 Permit #2167, Special Condition #1		
	Description:	Exceeded VOC permit limit during an emissions event.		
<b>NS</b>	Date:	05/02/2005 (372107)		
	Self Report?	NO	Classification	Minor
	Citation:	30 TAC Chapter 117, SubChapter B 117.219(f)(10) 5C THC Chapter 382, SubChapter A 382.085(b)		
	Description:	Failure to record the times of operation for testing and maintenance for diesel engines subject to the restriction on hours of operation.		
<b>S/S</b>	Date:	07/19/2002 (1841)		
	Self Report?	NO	Classification	Moderate
	Citation:	30 TAC Chapter 116, SubChapter G 116.715(a)		
	Description:	Unexempted upset emissions exceeded emission limits for SO2 and H2S under Permit No. 2167, Special Condition 1.		
<b>NS</b>	Date:	02/03/2004 (252543)		
	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 2167, Special Condition #1		
	Description:	Lyondell failed to comply with the Special Conditions of permit 2167. Improper trim adjustment on a control valve caused temperature and pressure to increase above the PSV setpoint.		
<b>NS</b>	Date:	08/16/2004 (260979)		
	Self Report?	NO	Classification	Minor
	Citation:	30 TAC Chapter 101, SubChapter F 101.201(b)(8)		
	Description:	Failure to comply with emissions events reporting requirements.		
<b>S/S</b>	Date:	12/09/2004 (342162)		
	Self Report?	NO	Classification	Moderate
	Citation:	30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 116, SubChapter G 116.715(a)		
	Rqmt Prov:	PA Special Condition #1		
	Description:	Failure to control unauthorized emissions.		
<b>DMR</b>	Date:	06/30/2006 (520029)		
	Self Report?	YES	Classification	Moderate
	Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
	Description:	Failure to meet the limit for one or more permit parameter		
<b>NS</b>	Date:	05/26/2005 (379525)		
	Self Report?	NO	Classification	Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.110(a)(1) 5C THC Chapter 382, SubChapter A 382.085(b)		
	Description:	Failure to control knockout pot level on south compressor.		
<b>DMR</b>	Date:	07/31/2006 (520030)		
	Self Report?	YES	Classification	Moderate
	Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

S/S

Date: 02/29/2004 (262038)

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 TCEQ FLEXIBLE AIR PERMIT #2167, SC #1

Description: Lyondell exceeded permit limits during an emissions event.

NS

Date: 08/18/2004 (261725)

Self Report? NO

Classification Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT TCEQ Flexible Air Permit #2167, SC #1

Description: Failure to submit an administratively complete final emissions event report.

NS

Date: 06/13/2006 (479843)

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 TCEQ Flexible Permit #2167, SC #1

Description: Lyondell failed to prevent the "Y Train" from overpressuring.

F. Environmental audits.

Notice of Intent Date: 01/05/2004 (263563)  
No DOV Associated

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  
AGAINST  
HOUSTON REFINING, L.P.  
RN100218130

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2006-1948-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 Houston Refining, L.P. ("Houston Refining") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Litigation Division, and Houston Refining, represented by Ms. Jennifer Keane, of the law firm of Baker Botts, LLP, presented this agreement to the Commission.

Houston Refining 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, Houston Refining 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 Houston Refining.

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

### I. FINDINGS OF FACT

1. Houston Refining owns and operates a petroleum refinery located at 12000 Lawndale Street in Houston, Harris 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 conducted from October 11, 2005 through October 27, 2005, a TCEQ Houston Regional Investigator documented that Houston Refining failed to prevent unauthorized emissions. Specifically, 36,437 pounds ("lbs") of Butane, 6,891 lbs of Butene, 6,683 lbs of Pentane, 811 lbs of 3-Methyl-1-Butene, 223 lbs of Propylene and 11 lbs of 1,3 Butadiene were released from the Butane Recovery Unit #2 Stab Tower when the air vent line from the cooling water control valve became plugged with insect dirt and debris, resulting in an emissions event that occurred on June 19, 2005 which lasted for two hours and five minutes (Incident No. 59951). Since the emissions event was avoidable and excessive, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
4. During an investigation conducted from August 24, 2006 through September 4, 2006, a TCEQ Houston Regional Investigator documented that Houston Refining failed to prevent unauthorized emissions. Specifically, 53,730.5 lbs of Sulfur Dioxide, 3,344.3 lbs of volatile organic compounds ("VOCs"), 1734.8 lbs of Carbon Monoxide, 585.3 lbs of Hydrogen Sulfide and 240.2 lbs of Nitrogen Oxide were released from Flare No. 3 in the 737 Coker Unit, and 177.3 lbs of Sulfur Dioxide, 10.7 lbs of VOCs, 5.7 lbs of Carbon Monoxide, 1.9 lbs of Hydrogen Sulfide and 0.8 lbs of Nitrogen Oxide were released from Flare No. 4 in the 737 Coker Unit when Compressor C-201 tripped offline due to low lube oil pressure, resulting in an emissions event that occurred on July 20, 2006 and lasted for three hours and fifteen minutes (Incident No. 78767). Since the emissions event was avoidable and excessive, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
5. During a record review conducted on July 17, 2006, a TCEQ Houston Regional Investigator documented that Houston Refining failed to prevent unauthorized emissions. Specifically, during an avoidable emissions event that occurred on June 25, 2006 which lasted for 10 minutes (Incident No. 77611), 4,557.5 pounds ("lbs") of volatile organic compounds ("VOCs") were released from the pressure safety valve emissions point number ("EPN") 732PSV1650 in the 732 Fluid Catalytic Cracking Unit ("FCCU"). Since the emissions event was avoidable, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
6. During a record review conducted on July 20, 2006, a TCEQ Houston Regional Investigator documented that Houston Refining failed to prevent unauthorized emissions. Specifically, during an avoidable emissions event that occurred on June 20, 2006 which lasted for 2 hours and 35 minutes (Incident No. 77384), 276 lbs of Sulfur Dioxide were released from the 435 Thermal Oxidizer Stack ("TOS"), EPN 435SP1403, and 3,931 lbs of Sulfur Dioxide were released from the 440 TOS, EPN 440SP2010 in the Sulfur Recovery Complex. Since the emissions event was avoidable, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

7. During an investigation conducted on from October 25, 2006 through November 22, 2006, a TCEQ Houston Regional Investigator documented that Houston Refining failed to prevent unauthorized emissions. Specifically, 2,608.50 pounds (“lbs”) of Sulfur Dioxide were released when a console operator for 635 HDS Unit inadvertently opened the wrong valve, resulting in an emissions event that occurred on October 2, 2006 which lasted for one hour (Incident No. 82077). Since the emissions event was avoidable, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
8. Houston Refining received notice of the violations on or about September 12, 2006, October 10, 2006, January 14, 2007 and February 7, 2007.
9. The Executive Director recognizes that Houston Refining has taken the following corrective measures:
  - a. With regard to Incident Nos. 59951 and 78767, Houston Refining submitted corrective action plans (“CAPs”) to the Executive Director on March 12 and 20, 2007.
  - b. With regard to Incident No. 78767, Houston Refining identified and implemented two design changes by installing a 5-second delay timer relay to allow the electric back-up lube oil supply pump an additional 5 seconds to establish pressure before the safety system shuts down the compressor. Houston Refining also re-programmed the motor protection relay so that an electric lock-out will not automatically occur for compressor shutdowns associated with low lube oil pressure which allows Operations personnel to attempt a restart of the compressor (if shutdown) without having to wait for an electrician. Further, a review of the Emergency Operating Procedures for the 737 Coker Compressor shutdown is scheduled to be completed by June 1, 2007.
  - c. With regard to Incident No. 77384, Houston Refining contacted the manufacturer of the solenoid valve who recommended that a recently introduced grease called “Krytox GPL-2-2” should be used for valves in services that cycle infrequently. A new solenoid valve was installed in October 2006.
  - d. With regard to Incident No. 77611, the FCCU was operated at a lower pressure until January 2007, when the unit was shut down for a planned maintenance event, during which numerous changes were made including a change in the configuration of the equipment where the process safety valve relieved.

- e. With regard to Incident No. 82077, Houston Refining completed corrective actions on October 3, 2006 which involved the redesign of the console screen to separate the emergency de-pressure valve away from the other valves and programming of the computer such that if the emergency de-pressure valve is selected on the screen, a different screen is immediately displayed and the operator must confirm the intended action of opening the valve.

## II. CONCLUSIONS OF LAW

1. Houston Refining is subject to the jurisdiction of the TCEQ pursuant to TEX. WATER CODE § 7.002, TEX. HEALTH & SAFETY CODE ch. 382, and the rules of the Commission.
2. As evidenced by Finding of Fact No. 3, Houston Refining failed to prevent unauthorized emissions. Specifically, 36,437 pounds (“lbs”) of Butane, 6,891 lbs of Butene, 6,683 lbs of Pentane, 811 lbs of 3-Methyl-1-Butene, 223 lbs of Propylene and 11 lbs of 1,3 Butadiene were released from the Butane Recovery Unit #2 Stab Tower when the air vent line from the cooling water control valve became plugged with insect dirt and debris, resulting in an emissions event that occurred on June 19, 2005 which lasted for two hours and five minutes (Incident No. 59951), in violation of 30 TEX. ADMIN. CODE § 116.715(a); Flexible Air Permit No. 2167/PSD-TX-985, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emission event was avoidable and excessive, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
3. As evidenced by Finding of Fact No. 4, Houston Refining failed to prevent unauthorized emissions. Specifically, 53,730.5 lbs of Sulfur Dioxide, 3,344.3 lbs of volatile organic compounds (“VOCs”), 1734.8 lbs of Carbon Monoxide, 585.3 lbs of Hydrogen Sulfide and 240.2 lbs of Nitrogen Oxide were released from Flare No. 3 in the 737 Coker Unit, and 177.3 lbs of Sulfur Dioxide, 10.7 lbs of VOCs, 5.7 lbs of Carbon Monoxide, 1.9 lbs of Hydrogen Sulfide and 0.8 lbs of Nitrogen Oxide were released from Flare No. 4 in the 737 Coker Unit when Compressor C-201 tripped offline due to low lube oil pressure, resulting in an emissions event that occurred on July 20, 2006 and lasted for three hours and fifteen minutes (Incident No. 78767), in violation of 30 TEX. ADMIN. CODE § 116.715(a); Flexible Air Permit No. 2167/PSD-TX-985, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emission event was avoidable and excessive, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
4. As evidenced by Finding of Fact No. 5, Houston Refining failed to prevent unauthorized emissions. Specifically, during an avoidable emissions event that occurred on June 25, 2006 which lasted for 10 minutes (Incident No. 77611), 4,557.5 pounds (“lbs”) of volatile organic compounds (“VOCs”) were released from the pressure safety valve emissions point number

("EPN") 732PSV1650 in the 732 Fluid Catalytic Cracking Unit ("FCCU"), in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), and 116.715(a); Flexible Air Permit No. 2167/PSD-TX-985, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

5. As evidenced by Finding of Fact No. 6, Houston Refining failed to prevent unauthorized emissions. Specifically, during an avoidable emissions event that occurred on June 20, 2006 which lasted for 2 hours and 35 minutes (Incident No. 77384), 276 lbs of Sulfur Dioxide were released from the 435 Thermal Oxidizer Stack ("TOS"), EPN 435SP1403, and 3,931 lbs. of Sulfur Dioxide were released from the 440 TOS, EPN 440SP2010 in the Sulfur Recovery Complex, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), and 116.715(a); Flexible Air Permit No. 2167/PSD-TX-985, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
6. As evidenced by Finding of Fact No. 7, Houston Refining failed to prevent unauthorized emissions. Specifically, 2,608.50 pounds ("lbs") of Sulfur Dioxide were released when a console operator for 635 HDS Unit inadvertently opened the wrong valve, resulting in an emissions event that occurred on October 2, 2006 which lasted for one hour (Incident No. 82077), in violation of 30 TEX. ADMIN. CODE § 116.715(a); Flexible Air Permit No. 2167/PSD-TX-985, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable, Houston Refining failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
7. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Houston Refining 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.
8. An administrative penalty in the amount of forty-nine thousand eight hundred dollars (\$49,800.00) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. Houston Refining has paid twenty-four thousand nine hundred dollars (\$24,900.00) of the administrative penalty. Twenty-four thousand nine hundred dollars (\$24,900.00) shall be conditionally offset by Houston Refining's completion of a Supplemental Environmental Project as defined in Attachment A and incorporated herein by reference. Houston Refining'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.

### III. ORDERING PROVISIONS

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

1. Houston Refining is assessed an administrative penalty in the amount of forty-nine thousand eight hundred dollars (\$49,800.00) as set forth in Section II, Paragraph 8 above for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Houston Refining'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: Houston Refining Refining, L.P., Docket No. 2004-1279-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. Houston Refining shall implement and complete a Supplemental Environmental Project in accordance with TEX. WATER CODE § 7.067. Twenty-four thousand nine hundred dollars (\$24,900.00) of the assessed administrative penalty shall be conditionally offset by Houston Refining's completion of a Supplemental Environmental Project defined in "Attachment." Houston Refining's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all portions of the Supplemental Environmental Project agreement.
3. It is further ordered that Houston Refining shall:
  - a. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the CAPs submitted on March 12 and 20, 2007 in response to Incident Nos. 59951 and 78767.
  - b. Upon receipt of approval from the Executive Director, implement the CAPs that were submitted on March 12 and 20, 2007 in response to Incident Nos. 59951 and 78767.
  - c. Within 30 days after completion of CAP implementation, Houston Refining shall 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. 2.a. and 2.b. 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:

Ms. Linda Vasse  
Air Quality Manager  
Houston Regional Office  
Texas Commission on Environmental Quality  
5425 Polk Avenue, Suite H  
Houston, Texas 77023-1486

4. The provisions of this Agreed Order shall apply to and be binding upon Houston Refining. Houston Refining is ordered to give notice of this Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If Houston Refining 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, Houston Refining's failure to comply is not a violation of this Agreed Order. Houston Refining has the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Houston Refining shall notify the Executive Director within seven days after Houston Refining 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

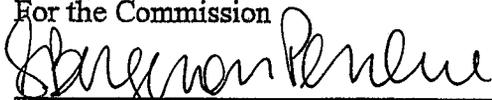
and substantiated showing of good cause. All requests for extensions by Houston Refining shall be made in writing to the Executive Director. Extensions are not effective until Houston Refining receives written approval from the Executive Director. The determination of what constitutes good cause rests 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 Houston Refining if the Executive Director determines that Houston Refining 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 Houston Refining 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



For the Executive Director

7/17/07

Date

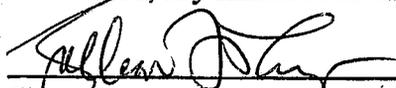
I, the undersigned, have read and understand the attached Agreed Order in the matter of Houston Refining, L.P. I represent that I am authorized to agree to the attached Agreed Order on behalf of Houston Refining, L.P., and do agree to the specified terms and conditions. I further acknowledge that the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

I understand that by entering into this Agreed Order, Houston Refining, L.P. 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 Houston Refining's failure to comply with the Ordering Provisions, if any, in this order and/or its failure to timely pay the penalty amount, may result in:

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

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



Signature

5-8-07

Date

William F. Thompson

VP General Manager

Name (printed or typed)  
Authorized Representative of  
Houston Refining, L.P.

Title

**Attachment A**  
**Docket Number: 2006-1948-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** Houston Refining, L.P.  
**Penalty Amount:** Forty-Nine Thousand Eight Hundred Dollars (\$49,800)  
**SEP Amount:** Twenty-Four Thousand Nine Hundred Dollars (\$24,900)  
**Type of SEP:** Pre-approved  
**Third-Party Recipient:** Houston-Galveston Area Emission Reduction Credit Organization (AERCO)  
**Location of SEP:** Harris County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for 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

Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the **Houston-Galveston Area Emission Reduction Credit Organization (AERCO)** Clean Cities/Clean Vehicles Program will perform a SEP in Harris County pursuant to the agreement between AERCO and the TCEQ. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP funds will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. SEP funds will be used for the costs of replacing older diesel buses with alternative fueled or clean fuel diesel buses. The older "high emission" buses will be permanently retired and sold only for scrap. AERCO will send a verification form to TCEQ in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emissions control technologies that are developed and approved by EPA or the California Air Resources Board.

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 retiring high-emission buses from service, purchasing newer, clean fuel technology buses, and replacing newer buses with fuel treatment technology that reduces particulate emissions and hydrocarbons.

C. Minimum Expenditure

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

**2. Performance Schedule**

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

Houston-Galveston Area Council  
Houston-Galveston AERCO  
P.O. Box 22777  
Houston, TX 77227-2777

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, 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. Respondent shall mail a copy of the check and transmittal letter to:

Litigation Division  
Attention: SEP Coordinator, MC 175  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If 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.

In the event of incomplete performance, the check for any amount due shall include the notation "SEP Refund" and the docket number of the case, be made out to "Texas Commission on Environmental Quality", and be mailed to:

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

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 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**

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.