EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-0987-PST-E **TCEQ ID:** RN102059086 **CASE NO.:** 30247

RESPONDENT NAME: Chedid, Inc. dba Conoco Mart 1

ORDER TYPE:

X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__AMENDED ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__SHUTDOWN ORDER	__FINDINGS DEFAULT ORDER	__EMERGENCY ORDER	

CASE TYPE:

__AGRICULTURE	__AIR	__INDUSTRIAL AND HAZARDOUS WASTE	__MUNICIPAL SOLID WASTE
__OCCUPATIONAL CERTIFICATION	X PETROLEUM STORAGE TANKS	__PUBLIC WATER SUPPLY	__RADIOACTIVE WASTE
__MULTI-MEDIA (check all that apply)	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL	__USED OIL
__USED OIL FILTER	__WATER QUALITY		

SITE WHERE VIOLATION(S) OCCURRED: Conoco Mart 1, 1510 University Drive, Fort Worth, Tarrant County

TYPE OF OPERATION: Convenience store with retail sales of gasoline

SMALL BUSINESS: X Yes ___ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on March 12, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Ms. Shontay Wilcher, Enforcement Division, Enforcement Section IV, MC 128, (512) 239-2136; Mr. Steven Lopez, Enforcement Division, Enforcement Section I, (512) 239-1896

TCEQ Field Investigator: Mr. Anthony Williams, City of Fort Worth Department of Environmental Management, 5000 Martin Luther King Freeway, Fort Worth, Texas 76119-4166

Respondent: Mr. Gus Chedid, President, Chedid, Inc. dba Conoco Mart 1, 103 West Main, Gun Barrel City, Texas 75147

Respondent's Attorney: Not represented by counsel on this enforcement matter

Attachment: Site Compliance History

RESPONDENT'S NAME: Chedid, Inc. dba Conoco Mart 1
DOCKET NO.: 2006-0987-PST-E

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: __ Complaint X Routine __ Enforcement Follow-up __ Records Review **Date of Complaints Relating to this Case:** None **Dates of Investigation/Record Review Relating to this Case:** June 9, 2006 and July 13, 2006 **Date of NOE Relating to this Case:** July 5, 2006 (NOE) **Background Facts:** This was a routine investigation for compliance with the petroleum storage tank program. Three significant program violations were observed. **WASTE** 1) Failure to maintain records on-site at the Station ordinarily manned during business hours, and make immediately available for review upon request. Specifically, Stage II records were not available for review [30 TEX. ADMIN. CODE § 115.246(7)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failure to maintain the Stage II vapor recovery system in proper operating condition, as specified by the manufacturer and/or any applicable California Air Resources Board Executive Order(s), and free of defects that would impair the effectiveness of the system. Specifically, at the time of the investigation, the investigator documented a blockage in the Unleaded Plus tank vent line. Also, the vacuum motors were inoperative or defective [30 TEX. ADMIN. CODE §115.242(3) and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 3) Failure to pay outstanding underground storage tank fees and associated late fees for TCEQ Financial Assurance Account No. 0056138U for fiscal year 2006 [30 TEX. ADMIN. CODE § 334.22(a) and TEX. WATER CODE § 5.702].	**Total Assessed:** $2,100 **Total Deferred:** $420 X Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid (Due) to General Revenue:** $420 (remaining $1,260 due in three monthly payments of $420 each) **Site Compliance History Classification:** __High X Avg. __Poor **Person Compliance History Classification:** __High X Avg. __Poor **Major Source:** __ Yes X No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken** 1) The Executive Director recognizes that Chedid has implemented the following corrective measures at the Facility: a) Submitted documentation showing that the unleaded plus tank vent line was cleaned and the vacuum motors were repaired on June 26, 2006; and b) Submitted documentation that Stage II vapor recovery records are being maintained at the Station on October 25, 2006. **Ordering Provision** 2) The Order will require the Respondent to submit payment for outstanding fees, including any associated penalties and interest within 30 days after the effective date of the Agreed Order.

Attachment: Site Compliance History

Penalty Calculation Worksheet (PCW)

TCEQ

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

DATES					
Assigned	10-Jul-2006				
PCW	24-Oct-2006	Screening	14-Jul-2006	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Chedid, Inc. dba Conoco Mart 1		
Reg. Ent. Ref. No.	RN102059086		
Facility/Site Region	4-Dallas/Fort Worth	Major/Minor Source	Minor Source

CASE INFORMATION

Enf./Case ID No.	30247	No. of Violations	3
Docket No.	2006-0987-PST-E	Order Type	1660
Media Program(s)	Petroleum Storage Tank	Enf. Coordinator	Shontay Wilcher
Multi-Media		EC's Team	Order Compliance Team
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $2,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 5% Enhancement *Subtotals 2, 3, & 7* $100

Notes: Enhancement due to one NOV with same or similar violations.

Culpability No 0% Enhancement *Subtotal 4* $0

Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply 0% Reduction *Subtotal 5* $0

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

Notes: The respondent does not meet the good faith criteria.

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

**Capped at the Total EB $ Amount*

Total EB Amounts	$4
Approx. Cost of Compliance	$600

SUM OF SUBTOTALS 1-7 Final Subtotal $2,100

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment $0

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

Notes:

Final Penalty Amount $2,100

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $2,100

DEFERRAL 20% Reduction Adjustment -$420

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $1,680

Screening Date 14-Jul-2006 **Docket No.** 2006-0987-PST-E **PCW**
Respondent Chedid, Inc. dba Conoco Mart 1 *Policy Revision 2 (September 2002)*
Case ID No. 30247 *PCW Revision May 19, 2005*
Reg. Ent. Reference No. RN102059086
Media [Statute] Petroleum Storage Tank
Enf. Coordinator Shontay Wilcher

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)*	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability *(number of orders meeting criteria)*	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government *(number of judgements or consent decrees meeting criteria)*	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government *(number of counts)*	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which violations were disclosed)*	0	0%
		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	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) **5%**

>> **Repeat Violator (Subtotal 3)**

No

Adjustment Percentage (Subtotal 3) **0%**

>> **Compliance History *Person* Classification (Subtotal 7)**

Average Performer

Adjustment Percentage (Subtotal 7) **0%**

>> **Compliance History Summary**

Compliance History Notes Enhancement due to one NOV with same or similar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **5%**

Screening Date 14-Jul-2006 **Docket No.** 2006-0987-PST-E **PCW**

Respondent Chedid, Inc. dba Conoco Mart 1 *Policy Revision 2 (September 2002)*

Case ID No. 30247 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN102059086

Media [Statute] Petroleum Storage Tank

Enf. Coordinator Shontay Wilcher

Violation Number 1

Primary Rule Cite(s) 30 Tex. Admin. Code §115.246(7)(A)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain records on-site at the Station ordinarily manned during business hours, and make immediately available for review upon request. Specifically, Stage II records were not available for review.

Base Penalty $10,000

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

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes: 100% of the rule requirement was not met.

Adjustment -$9,000

Base Penalty Subtotal $1,000

Violation Events

Number of Violation Events 1

mark only one use a small x	
daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $1,000

One single event is recommended based on the investigation conducted on June 9, 2006.

Economic Benefit (EB) for this violation

Estimated EB Amount $2

Statutory Limit Test

Violation Final Penalty Total $1,050

This violation Final Assessed Penalty (adjusted for limits) $1,050

Economic Benefit Worksheet

Respondent Chedid, Inc. dba Conoco Mart 1
Case ID No. 30247
Reg. Ent. Reference No. RN102059086
Media [Statute] Petroleum Storage Tank
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	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	$100	09-Jun-2006	25-Oct-2006	0.4	$2	n/a	$2
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)				0.0	$0	n/a	$0

Notes for DELAYED costs: Estimated cost to establish a record keeping system at the Station. The date required is the investigation date and final date is the 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: $100

TOTAL $2

Screening Date 14-Jul-2006 **Docket No.** 2006-0987-PST-E **PCW**

Respondent Chedid, Inc. dba Conoco Mart 1 *Policy Revision 2 (September 2002)*

Case ID No. 30247 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN102059086

Media [Statute] Petroleum Storage Tank

Enf. Coordinator Shontay Wilcher

Violation Number 2

Primary Rule Cite(s) 30 Tex. Admin. Code § 115.242(3)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failure to maintain the Stage II vapor recovery system in proper operating condition, as specified by the manufacturer and/or any applicable California Air Resources Board Executive Order(s), and free of defects that would impair the effectiveness of the system. Specifically, at the time of the investigation, the investigator documented a blockage in the Unleaded Plus tank vent line. Also, the vacuum motors were inoperative or defective.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			
Potential		x	

OR

Percent 10%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Failing to maintain the Stage II Vapor Recovery System could expose human health or the environment to significant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment -$9,000

Base Penalty Subtotal $1,000

Violation Events

Number of Violation Events 1

mark only one use a small x	
daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $1,000

One quarterly event is recommended based on the June 9, 2006 investigation date to the July 14, 2006 screening date.

Economic Benefit (EB) for this violation

Estimated EB Amount $2

Statutory Limit Test

Violation Final Penalty Total $1,050

This violation Final Assessed Penalty (adjusted for limits) $1,050

Economic Benefit Worksheet

Respondent Chedid, Inc. dba Conoco Mart 1
Case ID No. 30247
Reg. Ent. Reference No. RN102059086
Media [Statute] Petroleum Storage Tank
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment	$500	09-Jun-2006	26-Jun-2006	0.0	$0	$2	$2
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)				0.0	$0	n/a	$0

Notes for DELAYED costs: Estimated cost to properly operate and maintain the Stage II vapor recovery system as specified. The date required is the investigation date and the final date is the date of compliance.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	$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: $500

TOTAL $2

Screening Date 14-Jul-2006 **Docket No.** 2006-0987-PST-E **PCW**

Respondent Chedid, Inc. dba Conoco Mart 1 *Policy Revision 2 (September 2002)*

Case ID No. 30247 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN102059086

Media [Statute] Petroleum Storage Tank

Enf. Coordinator Shontay Wilcher

Violation Number 3

Primary Rule Cite(s) 30 Tex. Admin. Code § 334.22(a)

Secondary Rule Cite(s) Tex. Water Code § 5.702

Violation Description Failed to pay outstanding UST fees and associated late fees for TCEQ Financial Assurance Account No. 0056138U for fiscal year 2006.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

OR

Percent

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes

Adjustment -$10,000

Base Penalty Subtotal $0

Violation Events

Number of Violation Events

mark only one use a small x	
daily	
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $0

No penalty is recommended because penalty and interest will be assessed at the next billing.

Economic Benefit (EB) for this violation

Estimated EB Amount $0

Statutory Limit Test

Violation Final Penalty Total $0

This violation Final Assessed Penalty (adjusted for limits) $0

Economic Benefit Worksheet

Respondent Chedid, Inc. dba Conoco Mart 1
Case ID No. 30247
Reg. Ent. Reference No. RN102059086
Media [Statute] Petroleum Storage Tank
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	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)				0.0	$0	n/a	$0
Notes for DELAYED costs	n/a						
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	n/a						

Approx. Cost of Compliance $0

TOTAL $0

Compliance History

Customer/Respondent/Owner-Operator:	CN600818066	Chedid, Inc.	Classification: AVERAGE	Rating: 1.83
Regulated Entity:	RN102059086	CONOCO MART 1	Classification: AVERAGE	Site Rating: 1.50
ID Number(s):	PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	14928	
Location:	1510 UNIVERSITY DR, FORT WORTH, TX, 76107	Rating Date: September 01 05	Repeat Violator: NO	
TCEQ Region:	REGION 04 - DFW METROPLEX			
Date Compliance History Prepared:	July 12, 2006			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	July 12, 2001 to July 12, 2006			

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

Name: Christina J. Martinez Phone: (512) 239-0739

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?	Yes
3. If Yes, who is the current owner?	Victron Stores, L.P.
4. if Yes, who was/were the prior owner(s)?	H & H Oil Co., Inc.
5. When did the change(s) in ownership occur?	04/01/2006

Components (Multimedia) for the Site :

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

N/A

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 07/30/2004 (276393)

2 08/04/2004 (284093)

3 07/05/2006 (482260)

4 11/14/2002 (8338)

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

Date: 07/30/2004 (276393)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter C 115.246(4)

Description: Failure to maintain documentation of all Stage II training for each employee (so long as employed).
At the time of the initial investigation on June 16, 2004 and the follow-up investigation on July 7, 2004, Stage II employee training records were not available for the investigator to review.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter C 115.246(3)

Description: Failure to maintain a record of maintenance conducted on any part of the Stage II equipment, including a general description, the date and the time the equipment was taken out of service, the date of repair or replacement, the replacement part manufacturer's information, a general description of the part location in th

F. Environmental audits.

N/A

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	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
CHEDID, INC. DBA	§	
CONOCO MART 1	§	
RN102059086	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-0987-PST-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Chedid, Inc. dba Conoco Mart 1 ("Chedid") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE chs. 5 and 7. The Executive Director of the TCEQ, through the Enforcement Division, and Chedid appear before the Commission and together stipulate that:

1. Chedid operates a convenience store with retail sales of gasoline at 1510 University Drive in Fort Worth, Tarrant County, Texas (the "Station").

2. The Station consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

3. The Commission and Chedid agree that the Commission has jurisdiction to enter this Agreed Order, and that Chedid is subject to the Commission's jurisdiction.

4. Chedid received notice of the violations alleged in Section II ("Allegations") on or about July 10, 2006.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Chedid of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Two Thousand One Hundred Dollars ($2,100) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Chedid has paid Four Hundred Twenty Dollars ($420) of the administrative penalty and Four Hundred Twenty Dollars ($420) is deferred contingent upon Chedid's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Chedid fails to timely and satisfactorily comply with all requirements

of this Agreed Order, including the payment schedule, the Executive Director may require Chedid to pay all or part of the deferred penalty.

The remaining amount of One Thousand Two Hundred Sixty Dollars ($1,260) of the administrative penalty shall be payable in three monthly payments of Four Hundred Twenty Dollars ($420). The next monthly payment shall be paid within 30 days after the effective date of this Agreed Order. The subsequent payments shall each be paid not later than 30 days following the due date of the previous payment until paid in full. If Chedid fails to timely and satisfactorily comply with the payment requirements of this Agreed Order, the Executive Director may, at the Executive Director's option, accelerate the maturity of the remaining installments, in which event the unpaid balance shall become immediately due and payable without demand or notice. In addition, the failure of Chedid to meet the payment schedule of this Agreed Order constitutes the failure by Chedid to timely and satisfactorily comply with all the terms of this Agreed Order.

7. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.

8. The Executive Director of the TCEQ and Chedid have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

9. The Executive Director recognizes that Chedid has implemented the following corrective measures at the Facility:

   a. Submitted documentation showing that the unleaded plus tank vent line was cleaned and the vacuum motors were repaired on June 26, 2006; and

   b. Submitted documentation that Stage II vapor recovery records are being maintained at the Station on October 25, 2006.

10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Chedid has not complied with one or more of the terms or conditions in this Agreed Order.

11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As operator of the Station, Chedid is alleged to have:

1. Failed to maintain records on-site at the Station ordinarily manned during business hours, and make immediately available for review upon request, in violation of 30 TEX. ADMIN. CODE §115.246(7)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 9, 2006. Specifically, Stage II records were not available for review.

2. Failed to maintain the Stage II vapor recovery system in proper operating condition, as specified by the manufacturer and/or any applicable California Air Resources Board Executive Order(s), and free of defects that would impair the effectiveness of the system, in violation of 30 TEX. ADMIN. CODE §115.242(3) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 9, 2006. Specifically, at the time of the investigation, the investigator documented a blockage in the Unleaded Plus tank vent line. Also, the vacuum motors were inoperative or defective.

3. Failed to pay outstanding UST fees and associated late fees for TCEQ Financial Assurance Account No. 0056138U for fiscal year 2006, in violation of 30 TEX. ADMIN. CODE § 334.22(a) and TEX. WATER CODE § 5.702, as documented during a records review conducted on July 13, 2006.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Chedid pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Chedid's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Chedid, Inc. dba Conoco Mart 1, Docket No. 2006-0987-PST-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. It is further ordered that Chedid shall, within 30 days after the effective date of this Agreed Order, submit payment for outstanding fees, including any associated penalties and interest and with the notation, "Chedid, Inc. dba Conoco Mart 1, TCEQ Financial Assurance Account No. 0056138U," to the address in listed in Paragraph 1 of this section.

3. The provisions of this Agreed Order shall apply to and be binding upon Chedid. Chedid is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Station operations referenced in this Agreed Order.

4. If Chedid 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, Chedid's failure to comply is not a violation of this Agreed Order. Chedid shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Chedid shall notify the Executive Director within seven days after Chedid becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Chedid shall be made in writing to the Executive Director. Extensions are not effective until Chedid receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. This Agreed Order, issued by the Commission, shall not be admissible against Chedid 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.

7. 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.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Chedid, or three days after the date on which the Commission mails notice of the Order to Chedid, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 3/26/07
For the Executive Director Date

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

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

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

_____ 11-14-06
Signature Date

Gus Chedid President
Name (Printed or typed) Title
Authorized Representative of
Chedid, Inc. dba Conoco Mart 1

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