EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2005-1109-PST-E **TCEQ ID:** RN102368040 **CASE NO.:** 26003

RESPONDENT NAME: Reddy Energy, Inc. dba Bachman Lake Mobil

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: Bachman Lake Mobil, 3003 W. Northwest Highway, Dallas, Dallas 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 3, 2006. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Ms. Judy Kluge, Enforcement Division, Enforcement Section II, MC R-04, (817) 588-5825; Mr. Steven Lopez, Enforcement Division, Enforcement Section I, MC 219, (512) 239-1896

TCEQ Field Investigator: Ms. Michaelle Sherlock, DFW Regional Office, MC R-04, (817) 588-5825

Respondent: Mr. Vinod Reddy Sudhini, Registered Agent, Reddy Energy, Inc. dba Bachman Lake Mobil, 6429 Lookout Trail, The Colony, Texas 75056
Mr. Jeevan Bobbili, Manager, Reddy Energy, Inc. dba Bachman Lake Mobil, 6429 Lookout Trail, The Colony, Texas 75056

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

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 **Date of Investigation Relating to this Case:** May 25, 2005 **Date of NOE Relating to this Case:** June 23, 2005 (NOE) **Background Facts:** This was a routine scheduled investigation for compliance with the petroleum storage tank program. Seven significant program violations were observed. The Financial Assurance Section of the Commission's Financial Administration Division reviewed financial documentation submitted by Reddy Energy and determined that Reddy Energy is unable to pay part of the administrative penalty. **WASTE** 1) Failure to maintain the release detection records as required. Specifically, the Automatic Tank Gauge installed at the facility did not have a printer and Reddy Energy's representative stated that no records are being maintained of the tightness tests [30 TEX. ADMIN. CODE § 334.10(b)]. 2) Failure to record inventory volume measurement for regulated substance inputs, withdrawals, and the amount still remaining in the tank each operating day [30 TEX. ADMIN. CODE § 334.50(d)(1)(B)(iii)(I) and TEX. WATER CODE § 26.3475(c)(1)]. 3) Failure to conduct reconciliation of detailed inventory control records at least once each month, sufficiently accurate to detect a release as small as the sum of 1.0% of the total substance flow-through for the month plus 130 gallons [30 TEX. ADMIN. CODE § 334.50(d)(1)(B)(ii) and TEX. WATER CODE § 26.3475(c)(1)].	**Total Assessed:** $19,482 **Total Deferred:** $11,119 __Expedited Settlement _X_ Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid (Due) to General Revenue:** $243 (remaining $8,120 due in 35 monthly payments of $232 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 Action Taken** 1) The Executive Director recognizes that on May 26, 2005, the TCEQ received documentation that Reddy Energy obtained their UST registration and self-certification and was issued the TCEQ fuel delivery certificate. **Ordering Provisions** 2) The Order will require the Respondent to: a) Within 30 days after the effective date of this Agreed Order, i. Maintain results of all UST records at the Facility; ii. Implement a release detection method and begin conducting inventory control procedures; iii. Submit amended registration information to indicate the correct release detection method being used for the UST system; and iv. Ensure that the USTs at the Facility are tagged, labeled, or marked with an identification number that matches the identification number listed on the UST Registration and Self-Certification form.

VIOLATION INFORMATIO	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
4) Failure to provide an amended underground storage tank (UST) registration to the Commission for any change or additional information regarding USTs within 30 days from the date of the occurrence of the change or addition. Specifically, Reddy Energy's registration information had not been updated to indicate the correct release detection method being used for the UST system tanks and product piping [30 TEX. ADMIN. CODE § 334.7(d)(3)]. 5) Failure to ensure that an application for renewal of a delivery certificate is properly and timely filed. Specifically, Reddy Energy failed to submit the UST registration and self-certification form to the agency prior to the June 30, 2004 deadline [30 TEX. ADMIN. CODE § 334.8(c)(4)(A)(vii) and 334.8(c)(5)(B)(ii)]. 6) Failure to make available to a common carrier a valid, current TCEQ delivery certificate before accepting delivery of a regulated substance into the USTs. Specifically, Reddy Energy did not have a valid delivery certificate for 27 deliveries of fuel received from July 2, 2004 through May 18, 2005[30 TEX. ADMIN. CODE § 334.8(c)(5)(A)(i) and TEX. WATER CODE § 26.3467(a)]. 7) Failure to ensure that all USTs are properly identified as listed on the Facility's UST registration and self-certification form. Specifically, all USTs as listed on Reddy Energy's UST registration and self-certification form had not been properly identified by using a legible tag, label, or marking to identify them [30 TEX. ADMIN. CODE § 334.8(c)(5)(C)].		b) Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No.s 2.a.i. through 2.a.iv.

Penalty Calculation Worksheet (PCW)

TCEQ

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

DATES **Assigned** 27-Jun-2005
PCW 29-Jun-2005 **Screening** 28-Jun-2005 **EPA Due**

RESPONDENT/FACILITY INFORMATION

Respondent	Reddy Energy, Inc. dba Bachman Lake Mobil		
Reg. Ent. Ref. No.	RN102368040		
Facility/Site Region	4-Dallas/Fort Worth	**Major/Minor Source**	Minor Source

CASE INFORMATION

Enf./Case ID No.	26003	**No. of Violations**	6
Docket No.	2005-1109-PST-E	**Order Type**	1660
Media Program(s)	Petroleum Storage Tank	**Enf. Coordinator**	Judy Kluge
Multi-Media		**EC's Team**	Enforcement Team 3
Admin. Penalty $ Limit Minimum	$0	**Maximum**	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) ***Subtotal 1*** **$19,100**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **2%** Enhancement ***Subtotals 2, 3, & 7*** **$382**

Notes: Adjustment for one prior NOV.

Culpability No **0%** Enhancement ***Subtotal 4*** **$0**

Notes: Respondent does not meet 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: Respondent is not yet in compliance.

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

**Capped at the Total EB $ Amount*

Total EB Amounts	$118
Approx. Cost of Compliance	$500

SUM OF SUBTOTALS 1-7 **Final Subtotal** **$19,482**

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 **$19,482**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **$19,482**

DEFERRAL **20%** Reduction **Adjustment** **-$3,896**

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 **$15,586**

Screening Date 28-Jun-2005 **Docket No.** 2005-1109-PST-E **PCW**
Respondent Reddy Energy, Inc. dba Bachman Lake Mobil *Policy Revision 2 (September 2002)*
Case ID No. 26003 *PCW Revision May 19, 2005*
Reg. Ent. Reference No. RN102368040
Media [Statute] Petroleum Storage Tank
Enf. Coordinator Judy Kluge

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)*	0	0%
	Other written NOVs	1	2%
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) **2%**

>> 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 Adjustment for one prior NOV.

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

PCW

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

Screening Date 28-Jun-2005 **Docket No.** 2005-1109-PST-E
Respondent Reddy Energy, Inc. dba Bachman Lake Mobil
Case ID No. 26003
Reg. Ent. Reference No. RN102368040
Media [Statute] Petroleum Storage Tank
Enf. Coordinator Judy Kluge

Violation Number 1
Primary Rule Cite(s) 30 Tex. Admin. Code § 334.10(b)
Secondary Rule Cite(s)
Violation Description Failure to maintain the release detection records as required. Specifically, the Automatic Tank Gauge installed at the Facility did not have a printer and the Reddy Energy's representative stated that no records are being maintained of the tightness tests.

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
			x

Percent 1%

Matrix Notes: Less than 30% of the rule requirement was not met.

Adjustment -$9,900

Base Penalty Subtotal $100

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 $100

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $4

Statutory Limit Test

Violation Final Penalty Total $102

This violation Final Assessed Penalty (adjusted for limits) $102

Economic Benefit Worksheet

Respondent Reddy Energy, Inc. dba Bachman Lake Mobil
Case ID No. 26003
Reg. Ent. Reference No. RN102368040
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	25-May-2005	22-Mar-2006	0.8	$4	n/a	$4
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 costs to maintain the release detection records as required. Date required is the date of the investigation and the final date is the estimated 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 $4

PCW

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

Screening Date 28-Jun-2005 **Docket No.** 2005-1109-PST-E
Respondent Reddy Energy, Inc. dba Bachman Lake Mobil
Case ID No. 26003
Reg. Ent. Reference No. RN102368040
Media [Statute] Petroleum Storage Tank
Enf. Coordinator Judy Kluge
Violation Number 2
Primary Rule Cite(s) 30 Tex. Admin. Code § 334.50(d)(1)(B)(ii) and (d)(1)(B)(iii)(I)
Secondary Rule Cite(s) Tex. Water Code § 26.3475(c)(1)
Violation Description Failure to record inventory volume measurement for regulated substance inputs, withdrawals, and the amount still remaining in the tank each operating day and failure to reconcile inventory control records on a monthly basis, sufficiently accurate to detect a release as small as the sum of 1.0% of the total substance flow-through for the month plus 130 gallons.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

Release	Harm: Major	Moderate	Minor
Actual			
Potential	x		

OR

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Failing to conduct inventory control for all USTs could expose human health or the environment to pollutants which would exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment -$7,500

Base Penalty Subtotal $2,500

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 $2,500

One quarterly event is recommended based on the May 25, 2005 investigation date to the June 28, 2005 screening date.

Economic Benefit (EB) for this violation

Estimated EB Amount $4

Statutory Limit Test

Violation Final Penalty Total $2,550

This violation Final Assessed Penalty (adjusted for limits) $2,550

Economic Benefit Worksheet

Respondent Reddy Energy, Inc. dba Bachman Lake Mobil
Case ID No. 26003
Reg. Ent. Reference No. RN102368040
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				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)	$100	25-May-2005	22-Mar-2006	0.8	$4	n/a	$4

Notes for DELAYED costs Estimated personnel costs for conducting proper volumetric measurements of fuel inventories and monthly reconciliation. Date required is the date of investigation and the final date is estimated 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 $4

Screening Date 28-Jun-2005 **Docket No.** 2005-1109-PST-E **PCW**

Respondent Reddy Energy, Inc. dba Bachman Lake Mobil *Policy Revision 2 (September 2002)*

Case ID No. 26003 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN102368040

Media [Statute] Petroleum Storage Tank

Enf. Coordinator Judy Kluge

Violation Number 3

Primary Rule Cite(s) 30 Tex. Admin. Code § 334.7(d)(3)

Secondary Rule Cite(s)

Violation Description Failure to provide an amended UST Registration to the Commission for any change or additional information regarding USTs within 30 days from the date of the occurrence of the change or addition. Specifically, the Facility's registration information had not been updated to indicate the correct release detection method being used for the UST system tanks and product piping.

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
	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 date of May 25, 2005.

Economic Benefit (EB) for this violation

Estimated EB Amount $0

Statutory Limit Test

Violation Final Penalty Total $1,020

This violation Final Assessed Penalty (adjusted for limits) $1,020

Economic Benefit Worksheet

Respondent Reddy Energy, Inc. dba Bachman Lake Mobil
Case ID No. 26003
Reg. Ent. Reference No. RN102368040
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	$100	25-May-2005	26-May-2005	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 submit an amended UST registration form to the TCEQ. Date required is the date of investigation and final date is the estimated 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 $0

Screening Date 28-Jun-2005 **Docket No.** 2005-1109-PST-E **PCW**

Respondent Reddy Energy, Inc. dba Bachman Lake Mobil *Policy Revision 2 (September 2002)*

Case ID No. 26003 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN102368040

Media [Statute] Petroleum Storage Tank

Enf. Coordinator Judy Kluge

Violation Number 4

Primary Rule Cite(s) 30 Tex. Admin. Code § 334.8(c)(4)(A)(vii) and 334.8(c)(5)(B)(ii)

Secondary Rule Cite(s)

Violation Description Failure to ensure that an application for renewal of a delivery certificate is properly and timely filed. Specifically, the respondent failed to submit the UST registration and self-certification form to the agency prior to the June 30, 2004 deadline.

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
	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 date of May 25, 2005.

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount $3 **Violation Final Penalty Total** $1,020

This violation Final Assessed Penalty (adjusted for limits) $1,020

Economic Benefit Worksheet

Respondent Reddy Energy, Inc. dba Bachman Lake Mobil
Case ID No. 26003
Reg. Ent. Reference No. RN102368040
Media [Statute] Petroleum Storage Tank
Violation No. 4

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)	$50	30-Jun-2004	26-May-2005	0.9	$0	$3	$3
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 This is an estimated cost to complete and submit a UST registration and self-certification form. The date required is the expiration date of the previous delivery certificate and the final date is the date the delivery certificate was renewed.

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 $50

TOTAL $3

PCW

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

Screening Date 28-Jun-2005 **Docket No.** 2005-1109-PST-E
Respondent Reddy Energy, Inc. dba Bachman Lake Mobil
Case ID No. 26003
Reg. Ent. Reference No. RN102368040
Media [Statute] Petroleum Storage Tank
Enf. Coordinator Judy Kluge
Violation Number 5
Primary Rule Cite(s) 30 Tex. Admin. Code § 334.8(c)(5)(A)(i)
Secondary Rule Cite(s) Tex. Water Code § 26.3467(a)

Violation Description Failure to make available to a common carrier a valid, current TCEQ delivery certificate before accepting delivery of a regulated substance into the USTs. Specifically, the respondent did not have a valid delivery certificate for 27 deliveries of fuel received from July 2, 2004 through May 18, 2005 (See attached Fuel Deliveries Table).

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

OR

Percent 5%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Failure to provide a common carrier with a delivery certificate prior to receiving fuel into an UST system could expose human health or the environment to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors.

Adjustment -$9,500

Base Penalty Subtotal $500

Violation Events

Number of Violation Events 27

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

Violation Base Penalty $13,500

Twenty-seven single events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $105

Statutory Limit Test

Violation Final Penalty Total $13,770

This violation Final Assessed Penalty (adjusted for limits) $13,770

Economic Benefit Worksheet

Respondent Reddy Energy, Inc. dba Bachman Lake Mobil
Case ID No. 26003
Reg. Ent. Reference No. RN102368040
Media [Statute] Petroleum Storage Tank
Violation No. 5

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							
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)	$100	02-Jul-2004	18-May-2005	1.0	$5	$100	$105
Notes for AVOIDED costs	This is an estimated cost to ensure that a valid, current TCEQ delivery certificate is presented to a common carrier before delivery of a regulated substance into the UST can be accepted. The date required (July 2, 2004) and the final date (May 18, 2005) are the dates of the first and last fuel deliveries that the respondent accepted without a delivery certificate.						

Approx. Cost of Compliance $100

TOTAL $105

Screening Date 28-Jun-2005 **Docket No.** 2005-1109-PST-E **PCW**

Respondent Reddy Energy, Inc. dba Bachman Lake Mobil *Policy Revision 2 (September 2002)*

Case ID No. 26003 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN102368040

Media [Statute] Petroleum Storage Tank

Enf. Coordinator Judy Kluge

Violation Number 6

Primary Rule Cite(s) 30 Tex. Admin. Code § 334.8(c)(5)(C)

Secondary Rule Cite(s)

Violation Description Failure to ensure that all USTs are properly identified as listed on the Facility's UST registration and self-certification form. Specifically, the USTs as listed on the Facility's UST registration and self-certification form had not been properly identified by using a legible tag, label, or marking to identify them.

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
	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 investigaton date of May 25, 2005.

Economic Benefit (EB) for this violation

Estimated EB Amount $2

Statutory Limit Test

Violation Final Penalty Total $1,020

This violation Final Assessed Penalty (adjusted for limits) $1,020

Economic Benefit Worksheet

Respondent Reddy Energy, Inc. dba Bachman Lake Mobil
Case ID No. 26003
Reg. Ent. Reference No. RN102368040
Media [Statute] Petroleum Storage Tank
Violation No. 6

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)	$50	25-May-2005	22-Mar-2006	0.8	$2	n/a	$2

Notes for DELAYED costs: Estimated cost to tag, label, or mark the UST system as listed on the Facility's UST Registration & Self-Certification form. The date required is the investigation date and the 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: $50

TOTAL: $2

Fuel Deliveries Table

table rev. 12/11/2000

Respondent	Reddy Energy, Inc. dba Bachman Lake Mobil
ID Number(s)	Petroleum Storage Tank Facility ID No. 26586; RN102368040; Enforcement Case No. 26003
Docket Number	2005-1109-PST-E
Enf. Coordinator	Judy Kluge

Corresponds to Violation Number: 5

Month

Frequency of deliveries shown by Number

Date	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May		
1				1									
2	1		1										
3						1	1						
4													
5													
6					1								
7									1				
8										1			
9													
10	1										1		
11			1										
12													
13													
14						1							
15					1				1				
16													
17		1											
18											1		
19	1												
20									1				
21													
22			1			1							
23					1								
24													
25													
26		1											
27				1									
28	1							1					
29										1			
30									1				
31													Total
Total	4	2	3	2	3	3	1	1	4	2	2		27

Compliance History

Customer/Respondent/Owner-Operator:	CN602527558	Reddy Energy, Inc.	Classification: AVERAGE	Rating: 3.00
Regulated Entity:	RN102368040	BACHMAN LAKE MOBIL	Classification: AVERAGE	Site Rating: 3.00
ID Number(s):	PETROLEUM STORAGE TANK REGISTRATION		REGISTRATION	26586
Location:	3003 W NORTHWEST HWY, DALLAS, TX, 75220		Rating Date: 9/1/2004	Repeat Violator: NO
TCEQ Region:	REGION 04 - DFW METROPLEX			
Date Compliance History Prepared:	June 27, 2005			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	June 27, 2000 to June 27, 2005			

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

Name: Judy Kluge Phone: (817) 588-5825

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?	Reddy Energy, Inc.
4. if Yes, who was/were the prior owner(s)?	Natasha Enterprise, Inc.
5. When did the change(s) in ownership occur?	09/30/2003

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 06/22/2005 (393698)

2 08/11/2004 (287241)

3 09/27/2004 (335545)

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

Date: 08/11/2004 (287241)

Self Report? NO Classification: Minor

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

Description: Failure to provide proof of attendance and completion of the training specified in §115.248 (State-approved Stage II training course), with the documentation of all Stage II training for the facility representative.

Self Report? NO Classification: Minor

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 part description, the date and 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 t

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter C 115.246(5)

Description: Failure to maintain a record of the results of testing conducted at the facility according to §115.245 of this title (Testing Requirements).

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter C 115.226(1)

Description: Failure to maintain records at the facility site of the dates on which gasoline was delivered to the dispensing facility and the identification number and date of the last leak testing, required by §115.224(2) of this title (relating to Inspection Requirements), of each tank-truck from which gasoline was transferred to

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter C 115.244(1)

Description: Failure to conduct daily inspections of the Stage II vapor recovery system for the defects specified in §115.242(3)(A) - (F), (H), and (K), & §115.242(4).

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter C 115.244(3)

Description: Failure to conduct monthly inspections of the components listed in §115.242(3)(J).

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter C 115.242(3)(J)

Description: Failure to maintain the Stage II vapor recovery system in proper operating condition, as specified by the manufacturer and/or any applicable CARB Executive Order(s), and free of defects that would impair the effectiveness of the system, including pressure/vacuum relief valves, vapor check valves, or Stage I dry breaks

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	§	
REDDY ENERGY, INC. DBA	§	**TEXAS COMMISSION ON**
BACHMAN LAKE MOBIL	§	
RN102368040	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2005-1109-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 Reddy Energy, Inc. dba Bachman Lake Mobil ("Reddy Energy") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and Reddy Energy appear before the Commission and together stipulate that:

1. Reddy Energy owns and operates a convenience store with retail sales of gasoline at 3003 W. Northwest Highway in Dallas, Dallas County, Texas (the "Facility").

2. Reddy Energy's three (3) underground storage tanks ("USTs") are not exempt or excluded from regulation under the Texas Water Code or the rules of the Commission.

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

4. Reddy Energy received notice of the violations alleged in Section II ("Allegations") on or about June 28, 2005.

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

6. An administrative penalty in the amount of Nineteen Thousand Four Hundred Eighty-Two Dollars ($19,482) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Financial Assurance Section of the Commission's Financial Administration Division reviewed financial documentation submitted by Reddy Energy and determined that Reddy Energy is unable to pay part of the administrative penalty. Therefore, Eleven Thousand One Hundred Nineteen Dollars ($11,119) of the penalty is deferred contingent upon Reddy Energy'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 Reddy Energy fails to timely and satisfactorily comply with all requirements of this Agreed Order, including the payment schedule, the Executive Director may require Reddy Energy to pay all or part of the deferred penalty.

Reddy Energy has paid Two Hundred Forty-Three Dollars ($243) of the undeferred administrative penalty. The remaining amount of Eight Thousand One Hundred Twenty Dollars ($8,120) of the administrative penalty shall be payable in 35 monthly payments of Two Hundred Thirty-Two Dollars ($232) each. 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. If Reddy Energy 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 Reddy Energy to meet the payment schedule of this Agreed Order constitutes the failure by Reddy Energy 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 Reddy Energy 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 on May 26, 2005, the TCEQ received documentation that Reddy Energy obtained their UST registration and self-certification and was issued the TCEQ fuel delivery certificate.

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 Reddy Energy 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 owner and operator of the Facility, Reddy Energy is alleged to have:

1. Failed to maintain the release detection records as required, in violation of 30 TEX. ADMIN. CODE § 334.10(b), as documented during an investigation conducted on May 25, 2005. Specifically, the

Automatic Tank Gauge installed at the Facility did not have a printer and Reddy Energy's representative stated that no records are being maintained of the tightness tests.

2. Failed to record inventory volume measurement for regulated substance inputs, withdrawals, and the amount still remaining in the tank each operating day, in violation of 30 TEX. ADMIN. CODE § 334.50(d)(1)(B)(iii)(I) and TEX. WATER CODE § 26.3475(c)(1), as documented during an investigation conducted on May 25, 2005.

3. Failed to conduct reconciliation of detailed inventory control records at least once each month, sufficiently accurate to detect a release as small as the sum of 1.0% of the total substance flow-through for the month plus 130 gallons, in violation of 30 TEX. ADMIN. CODE § 334.50(d)(1)(B)(ii) and TEX. WATER CODE § 26.3475(c)(1), as documented during an investigation conducted on May 25, 2005.

4. Failed to provide an amended UST registration to the Commission for any change or additional information regarding USTs within 30 days from the date of the occurrence of the change or addition, in violation of 30 TEX. ADMIN. CODE § 334.7(d)(3), as documented during an investigation conducted on May 25, 2005. Specifically, Reddy Energy's registration information had not been updated to indicate the correct release detection method being used for the UST system tanks and product piping.

5. Failed to ensure that an application for renewal of a delivery certificate is properly and timely filed, in violation of 30 TEX. ADMIN. CODE § 334.8(c)(4)(A)(vii) and (c)(5)(B)(ii), as documented during an investigation conducted on May 25, 2005. Specifically, Reddy Energy failed to submit the UST registration and self-certification form to the agency prior to the June 30, 2004 deadline.

6. Failed to make available to a common carrier a valid, current TCEQ delivery certificate before accepting delivery of a regulated substance into the USTs, in violation of 30 TEX. ADMIN. CODE § 334.8(c)(5)(A)(i) and TEX. WATER CODE § 26.3467(a), as documented during an investigation conducted on May 25, 2005. Specifically, Reddy Energy did not have a valid delivery certificate for 27 deliveries of fuel received from July 2, 2004 through May 18, 2005.

7. Failed to ensure that all USTs are properly identified as listed on the Facility's UST Registration & Self-Certification Form, in violation of 30 TEX. ADMIN. CODE § 334.8(c)(5)(C), as documented during an investigation conducted on May 25, 2005. Specifically, all USTs as listed on Reddy Energy's UST registration and self-certification form had not been properly identified by using a legible tag, label, or marking to identify them.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Reddy Energy pay an administrative penalty as set forth in Section I, Paragraph 6 above. The imposition of this administrative penalty and Reddy Energy'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: Reddy Energy, Inc. dba Bachman Lake Mobil, Docket No. 2005-1109-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 Reddy Energy shall undertake the following technical requirements:

   a. Within 30 days after the effective date of this Agreed Order,

      i. Maintain results of all UST records at the Facility, in accordance with 30 TEX. ADMIN. CODE § 334.10(b);

      ii. Implement a release detection method and begin conducting inventory control procedures, in accordance with 30 TEX. ADMIN. CODE § 334.50;

      iii. Submit amended registration information to indicate the correct release detection method being used for the UST system, in accordance with 30 TEX. ADMIN. CODE § 334.7; and

      iv. Ensure that the USTs at the Facility are tagged, labeled, or marked with an identification number that matches the identification number listed on the UST Registration & Self-Certification form, in accordance with 30 TEX. ADMIN. CODE § 334.8.

   b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a.i. through 2.a.iv.

      The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

      "I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those

individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

c. Submit all correspondence, reports, and documentation required by these Ordering Provisions to:

Work Leader
Team 5, Section III
Enforcement Division, MC 149
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Waste Section Manager
Dallas/Fort Worth Regional Office
Texas Commission on Environmental Quality
2309 Gravel Drive
Fort Worth, Texas 76118

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

4. If Reddy Energy 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, Reddy Energy's failure to comply is not a violation of this Agreed Order. Reddy Energy shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Reddy Energy shall notify the Executive Director within seven days after Reddy Energy 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 Reddy Energy shall be made in writing to the Executive Director. Extensions are not effective until Reddy Energy 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 Reddy Energy 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 Reddy Energy, or three days after the date on which the Commission mails notice of the Order to Reddy Energy, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

3/29/06
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.

Signature

12/16/05
Date

JEEVAN BOBBILI
Name (Printed or typed)
Authorized Representative of
Reddy Energy, Inc. dba Bachman Lake Mobil

Manager
Title

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