EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-1768-PST-E **TCEQ ID:** RN101740918 **CASE NO.:** 31377

RESPONDENT NAME: Airline Conoco, Inc.

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: Airline Conoco Inc, 4840 Airline Drive, Houston, Harris 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 19, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Mr. Rajesh Acharya, Enforcement Division, Enforcement Section IV, MC 128, (512) 239-0577; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

Respondent: Mr. Chhatrapal Singh, President, Owner, and Registered Agent, Airline Conoco, Inc., 4840 Airline Drive, Houston, Texas 77022-3006

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

RESPONDENT'S NAME: Airline Conoco, Inc.
DOCKET NO.: 2006-1768-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 Complaint Relating to this Case:** None **Date of Investigation Relating to this Case:** September 13, 2006 **Date of NOE Relating to this Case:** September 25, 2006 (NOE) **Background Facts:** This was a routine investigation. Four violations were documented. **WASTE** 1) Failed to post operating instructions conspicuously on the front of each dispenser equipped with a Stage II system [30 TEX. ADMIN. CODE § 115.242(9) and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failed to provide release detection for the piping associated with the underground storage tanks ("USTs") [30 TEX. ADMIN. CODE § 334.50(b)(2) and TEX. WATER CODE § 26.3475(a)]. 3) Failed to test the line leak detectors at least once per year for performance and operational reliability. Specifically, the line leak detector had not been performance tested annually [30 TEX. ADMIN. CODE § 334.50(b)(2)(A)(i)(III) and TEX. WATER CODE § 26.3475(a)]. 4) Failed to verify proper operation of the Stage II equipment at least once every 12 months, and the Stage II Vapor Space Manifolding and Dynamic Pressure Performance at least once every 36 months. Specifically, Airline Conoco did not conduct the annual and triennial tests [30 TEX. ADMIN. CODE § 115.245(2) and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $3,900 **Total Deferred:** $780 _X_Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $3,120 **Site Compliance History Classification:** __X_High ___Avg. __Poor **Person Compliance History Classification:** _X_High __Avg. __Poor **Major Source:** __ Yes _X_ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** The Executive Director recognizes that Airline Conoco has implemented the following corrective measures at the Station: a. Posted operation instructions on the front of each gasoline dispensing pump equipped with a Stage II vapor recovery system on September 15, 2006; b. Conducted annual piping tightness test on September 18, 2006; c. Conducted testing of the line leak detectors for performance and operational reliability on September 18, 2006; and d. Conducted triennial testing of the Stage II equipment on September 13, 2006.

Penalty Calculation Worksheet (PCW)

TCEQ

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

DATES					
Assigned	02-Oct-2006				
PCW	09-Oct-2006	Screening	03-Oct-2006	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Airline Conoco, Inc.		
Reg. Ent. Ref. No.	RN101740918		
Facility/Site Region	12-Houston	Major/Minor Source	Minor Source

CASE INFORMATION

Enf./Case ID No.	31377	No. of Violations	3
Docket No.	2006-1768-PST-E	Order Type	1660
Media Program(s)	Petroleum Storage Tank	Enf. Coordinator	Jason Godeaux
Multi-Media		EC's Team	Enforcement Team 7
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $6,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History -10% Enhancement *Subtotals 2, 3, & 7* -$600

Notes: Reduction for high performer classification.

Culpability No 0% Enhancement *Subtotal 4* $0

Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply 25% Reduction *Subtotal 5* -$1,500

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

Notes: The respondent came into compliance on September 18, 2006.

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

**Capped at the Total EB $ Amount*

Total EB Amounts	$2,356
Approx. Cost of Compliance	$3,500

SUM OF SUBTOTALS 1-7 Final Subtotal $3,900

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 $3,900

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $3,900

DEFERRAL 20% Reduction Adjustment -$780

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 $3,120

Screening Date 03-Oct-2006 **Docket No.** 2006-1768-PST-E **PCW**
Respondent Airline Conoco, Inc. *Policy Revision 2 (September 2002)*
Case ID No. 31377 *PCW Revision May 19, 2005*
Reg. Ent. Reference No. RN101740918
Media [Statute] Petroleum Storage Tank
Enf. Coordinator Jason Godeaux

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	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) **0%**

>> Repeat Violator (Subtotal 3)

No ***Adjustment Percentage (Subtotal 3)*** **0%**

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

High Performer ***Adjustment Percentage (Subtotal 7)*** **-10%**

>> Compliance History Summary

Compliance History Notes Reduction for high performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **-10%**

PCW

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

Screening Date 03-Oct-2006 **Docket No.** 2006-1768-PST-E
Respondent Airline Conoco, Inc.
Case ID No. 31377
Reg. Ent. Reference No. RN101740918
Media [Statute] Petroleum Storage Tank
Enf. Coordinator Jason Godeaux

Violation Number 1
Primary Rule Cite(s) 30 Tex. Admin. Code § 115.242(9)
Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to post operating instructions conspicuously on the front of each dispenser equipped with a Stage II system.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential		x	

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment will or could be exposed 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 from the September 13, 2006 investigation date to the September 15, 2006 compliance date.

Economic Benefit (EB) for this violation

Estimated EB Amount $0

Statutory Limit Test

Violation Final Penalty Total $650

This violation Final Assessed Penalty (adjusted for limits) $650

Economic Benefit Worksheet

Respondent: Airline Conoco, Inc.
Case ID No.: 31377
Reg. Ent. Reference No.: RN101740918
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				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)	$200	13-Sep-2006	15-Sep-2006	0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated cost to post required operating instructions on dispensers. The date required is the date of investigation. 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: $200

TOTAL: $0

PCW

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

Screening Date	03-Oct-2006
Docket No.	2006-1768-PST-E
Respondent	Airline Conoco, Inc.
Case ID No.	31377
Reg. Ent. Reference No.	RN101740918
Media [Statute]	Petroleum Storage Tank
Enf. Coordinator	Jason Godeaux
Violation Number	2
Primary Rule Cite(s)	30 Tex. Admin. Code § 334.50(b)(2) and 334.50(b)(2)(A)(i)(III)
Secondary Rule Cite(s)	Tex. Water Code § 26.3475(a)
Violation Description	Failed to provide release detection for the piping associated with the USTs. Specifically, monthly monitoring or annual piping tightness test had not been conducted. Failed to test the line leak detectors at least once per year for performance and operational reliability. Specifically, the line leak detector had not been performance tested annually.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential	x		

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment will or could be exposed 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	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $2,500

One monthly event is recommended from the September 13, 2006 investigation date to the September 18, 2006 compliance date.

Economic Benefit (EB) for this violation

Estimated EB Amount $631

Statutory Limit Test

Violation Final Penalty Total $1,625

This violation Final Assessed Penalty (adjusted for limits) $1,625

Economic Benefit Worksheet

Respondent: Airline Conoco, Inc.
Case ID No.: 31377
Reg. Ent. Reference No.: RN101740918
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)	$1,200	13-Sep-2006	18-Sep-2006	0.0	$0	$1	$1
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: The delayed cost includes the estimated amount required to monitor piping associated with the USTs. Date required is the date of investigation. 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)	$600	13-Sep-2005	18-Sep-2006	1.0	$30	$600	$630

Notes for AVOIDED costs: Estimated cost for annual testing of the line leak detectors. The date required is one year prior to the investigation date and final date is the compliance date.

Approx. Cost of Compliance: $1,800

TOTAL: $631

Screening Date 03-Oct-2006 **Docket No.** 2006-1768-PST-E **PCW**

Respondent Airline Conoco, Inc. *Policy Revision 2 (September 2002)*

Case ID No. 31377 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN101740918

Media [Statute] Petroleum Storage Tank

Enf. Coordinator Jason Godeaux

Violation Number 3

Primary Rule Cite(s) 30 Tex. Admin. Code § 115.245(2)

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

Violation Description Failed to verify proper operation of the Stage II equipment at least once every 12 months, and the Stage II vapor space manifolding and dynamic pressure performance at least once every 36 months.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential	x		

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Failure to verify proper operation of the Stage II equipment could result in the release of a significant amount of gasoline vapors which would exceed levels that are protective of human health or environmental receptors.

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	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $1,725

Statutory Limit Test

Violation Final Penalty Total $1,625

This violation Final Assessed Penalty (adjusted for limits) $1,625

Economic Benefit Worksheet

Respondent: Airline Conoco, Inc.
Case ID No.: 31377
Reg. Ent. Reference No.: RN101740918
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							
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)	$1,500	13-Sep-2003	13-Sep-2006	3.0	$225	$1,500	$1,725
Notes for AVOIDED costs	Estimated cost for annual testing to verify proper operation of the Stage II equipment. The date required is three years prior to the investigation date and final date is the compliance date.						

Approx. Cost of Compliance: $1,500

TOTAL: $1,725

Compliance History

Customer/Respondent/Owner-Operator:	CN601575186	Airline Conoco, Inc.	Classification: HIGH	Rating: 0.00
Regulated Entity:	RN101740918	AIRLINE CONOCO INC	Classification: HIGH	Site Rating: 0.00

ID Number(s):	PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	26656
Location:	4840 AIRLINE DR, HOUSTON, TX, 77022	Rating Date: 9/1/2006	Repeat Violator: NO
TCEQ Region:	REGION 12 - HOUSTON		
Date Compliance History Prepared:	October 03, 2006		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	October 03, 2001 to October 03, 2006		

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

Name: Jason Godeaux Phone: 512-239-2541

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period?	Yes
2. Has there been a (known) change in ownership of the site during the compliance period?	No
3. If Yes, who is the current owner?	N/A
4. if Yes, who was/were the prior owner(s)?	N/A
5. When did the change(s) in ownership occur?	N/A

Components (Multimedia) for the Site :

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

N/A

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 10/02/2002 (7675)
2 09/25/2006 (512761)

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

N/A

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**
AIRLINE CONOCO, INC.	§	
RN101740918	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-1768-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 Airline Conoco, Inc. ("Airline Conoco") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and Airline Conoco appear before the Commission and together stipulate that:

1. Airline Conoco owns and operates a convenience store with retail sales of gasoline at 4840 Airline Drive in Houston, Harris County, Texas (the "Station").

2. Airline Conoco's four 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 Airline Conoco agree that the Commission has jurisdiction to enter this Agreed Order, and that Airline Conoco is subject to the Commission's jurisdiction.

4. Airline Conoco received notice of the violations alleged in Section II ("Allegations") on or about September 30, 2006.

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

6. An administrative penalty in the amount of Three Thousand Nine Hundred Dollars ($3,900) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Airline Conoco has paid Three Thousand One Hundred Twenty Dollars ($3,120) of the administrative penalty and Seven Hundred Eighty Dollars ($780) is deferred contingent upon Airline Conoco'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 Airline Conoco

fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Airline Conoco to pay all or part of the deferred penalty.

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

8. The Executive Director of the TCEQ and Airline Conoco 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 Airline Conoco has implemented the following corrective measures at the Station:

   a. Posted operation instructions on the front of each gasoline dispensing pump equipped with a Stage II vapor recovery system on September 15, 2006;

   b. Conducted annual piping tightness test on September 18, 2006;

   c. Conducted testing of the line leak detectors for performance and operational reliability on September 18, 2006; and

   d. Conducted triennial testing of the Stage II equipment on September 13, 2006.

10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Airline Conoco 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 Station, Airline Conoco is alleged to have:

1. Failed to post operating instructions conspicuously on the front of each dispenser equipped with a Stage II system, in violation of 30 TEX. ADMIN. CODE § 115.242(9) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on September 13, 2006.

2. Failed to provide release detection for the piping associated with the USTs, in violation of 30 TEX. ADMIN. CODE § 334.50(b)(2) and TEX. WATER CODE § 26.3475(a), as documented during an investigation conducted on September 13, 2006

3. Failed to test the line leak detectors at least once per year for performance and operational reliability, in violation of 30 TEX. ADMIN. CODE § 334.50(b)(2)(A)(i)(III) and TEX. WATER CODE § 26.3475(a), as documented during an investigation conducted on September 13, 2006. Specifically, the line leak detector had not been performance tested annually.

4. Failed to verify proper operation of the Stage II equipment at least once every 12 months, and the Stage II Vapor Space Manifolding and Dynamic Pressure Performance at least once every 36 months, in violation of 30 TEX. ADMIN. CODE § 115.245(2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on September 13, 2006. Specifically, Airline Conoco did not conduct the annual and triennial tests.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Airline Conoco pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Airline Conoco'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: Airline Conoco, Inc., Docket No. 2006-1768-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. The provisions of this Agreed Order shall apply to and be binding upon Airline Conoco. Airline Conoco 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.

3. This Agreed Order, issued by the Commission, shall not be admissible against Airline Conoco in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.

5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Airline Conoco, or three days after the date on which the Commission mails notice of the Order to Airline Conoco, 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

_____ 4/27/07
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.

Chhatrapal Singh 1-2-07
Signature Date

CHHATRAPAL SINGH Owner.
Name (Printed or typed) Title
Authorized Representative of
Airline Conoco, Inc.

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.