

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-0440-AIR-E **TCEQ ID:** RN100218130 **CASE NO.:** 33030
RESPONDENT NAME: Houston Refining LP

ORDER TYPE:		
<input type="checkbox"/> 1660 AGREED ORDER	<input checked="" type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Houston Refinery, 12000 Lawndale Street, Houston, Harris County</p> <p>TYPE OF OPERATION: Refinery</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are nine pending enforcement actions, Docket Numbers 2000-1427-AIR-E, 2005-0179-AIR-E, 2005-1714-AIR-E, 2006-1948-AIR-E, 2007-0137-AIR-E, 2007-0169-AIR-E, 2007-0473-AIR-E, 2007-0713-AIR-E, and 2007-0780-IWD-E, regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on July 1, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: SEP Coordinator: Ms. Melissa Keller, Enforcement Division, MC 219, (512) 239-1768 TCEQ Enforcement Coordinator: Mr. John Muennink, Enforcement Division, Enforcement Section III, MC R-14, (361) 825-3423; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896 Respondent: Mr. William F. Thompson, VP General Manager, Houston Refining LP, P.O. Box 2451, Houston, Texas 77252 Mr. Jerry Barnhill, Health, Safety and Environmental Manager, Houston Refining LP, P.O. Box 2451, Houston, Texas 77525 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Record Reviews Relating to this Case: February 6, 7, and 9, 2007 and March 22, 2007</p> <p>Date of NOEs Relating to this Case: March 21, 2007 and April 4, 2007(NOE)</p> <p>Background Facts: These were a routine scheduled record reviews.</p> <p>AIR</p> <p>1) Failed to prevent unauthorized emissions. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §116.715(a), Permit No. 2167, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failed to properly report the amount of ethylene emissions on the final notification for the January 16, 2007 emissions event [30 TEX. ADMIN. CODE § 101.201(b)(1)(H) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$50,453</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$25,226</p> <p>Total Paid to General Revenue: \$25,227</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p> <p>Findings Orders Justification: This is a Findings Order because of absence of management practices designed to ensure compliance.</p>	<p>Ordering Provisions:</p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP) (See SEP Attachment A).</p> <p>2) The Order will require the Respondent to:</p> <p>a) Within 30 days after the effective date of this Agreed Order:</p> <p>i. Conduct training designed to ensure that emissions are correctly estimated and reported;</p> <p>ii. Implement measures designed to prevent the reoccurrence of emissions due to the same causes as that of the January 4, 9, and 16 and March 4 and 5, 2007 emissions events; and</p> <p>b). Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 2.a.</p>

Attachment A
Docket Number: 2007-0440-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Houston Refining LP
Payable Penalty Amount:	Fifty Thousand Four Hundred Fifty-Three Dollars (\$50,453)
SEP Amount:	Twenty-Five Thousand Two Hundred Twenty-Six Dollars (\$25,226)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
Location of SEP:	Harris County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

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

2. Performance Schedule

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

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

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

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

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision January 9, 2007

TCEQ

DATES	Assigned	22-Mar-2007	Screening	22-Mar-2007	EPA Due	16-Dec-2007
	PCW	4-Apr-2007				

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

CASE INFORMATION			
Enf./Case ID No.	33030	No. of Violations	6
Docket No.	2007-0440-AIR-E	Order Type	Findings
Media Program(s)	Air Quality	Enf. Coordinator	John Muennink
Multi-Media		EC's Team	Enforcement Team 6
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History Enhancement **Subtotals 2, 3, & 7**

Notes

Culpability Enhancement **Subtotal 4**

Notes

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

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="checkbox"/>	(mark with x)

Notes

Total EB Amounts **Subtotal 6**
Approx. Cost of Compliance *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal**

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**

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

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

DEFERRAL Reduction **Adjustment**

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

Notes

PAYABLE PENALTY

Screening Date: 22-Mar-2007

Docket No. 2007-0440-AIR-E

PCW

Respondent: Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33030

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute]: Air Quality

Enf. Coordinator: John Muennink

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)	11	55%
	Other written NOVs	12	24%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	6	120%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	5	125%
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 judgments or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 353%

>> 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 11 NOVs with same or similar violations, 12 NOVs with unrelated violations (including five self-reported effluent violations) six 1860 Agreed Orders, five Findings Orders, one Court Order and one Notice of Audit Letter.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 353%

Screening Date 22-Mar-2007

Docket No. 2007-0440-AIR-E

PCW

Respondent Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33030

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator John Muennink

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 2167, Special Condition No. 1

Violation Description Failed to prevent unauthorized emissions. Specifically, 10,494 pounds ("lbs") of sulfur dioxide, 126 lbs of carbon monoxide and 22 lbs of hydrogen sulfide were released from the Sulfur Recovery Complex during an avoidable emissions event that began January 4, 2007 and lasted nine hours and 45 minutes. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment have been exposed to a significant amount of pollutants as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	x
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$10,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$491

Violation Final Penalty Total \$45,300

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

Economic Benefit Worksheet

Respondent: Houston Refining LP
Case ID No.: 33030
Reg. Ent. Reference No.: RN100218130
Media: Air Quality
Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$15,000	4-Jan-2007	31-Aug-2007	0.7	\$491	n/a	\$491

Notes for DELAYED costs

Estimated expense to implement measures designed to prevent the reoccurrence of emissions due to similar causes. Date required is the date of the emissions event. Final date is the estimated date that corrective actions will be completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$15,000

TOTAL

\$491

Screening Date 22-Mar-2007

Docket No. 2007-0440-AIR-E

PCW

Respondent Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33030

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator John Muennink

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 2167, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, 1,431 lbs of propane, 510 lbs of propylene and 11 lbs of butenes were released from Unit 234 during an avoidable emissions event that began January 9, 2007 and lasted eight hours. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment have been exposed to an insignificant amount of pollutants as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an 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

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$11,325

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

Economic Benefit Worksheet

Respondent: Houston Refining LP
Case ID No: 3303D
Reg. Ent. Reference No: RN100218130
Media: Air Quality
Violation No: 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See violation no. 1

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 \$0

TOTAL \$0

Screening Date 22-Mar-2007

Docket No. 2007-0440-AIR-E

PCW

Respondent Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33030

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator John Muennink

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 2167, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, 8,205 lbs of the Highly Reactive Volatile Organic Compound ("HRVOC") ethylene were released from the Paraxylene Recovery Unit during an avoidable emissions event that began January 16, 2007 and lasted one hour and 55 minutes. Since these emissions were avoidable and improperly reported, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	x			100%
	Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment have been exposed to approximately four tons of HRVOCs as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	x
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$45,300

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

Economic Benefit Worksheet

Respondent: Houston Refining LP
Case ID No.: 33030
Reg. Ent. Reference No.: RN100218130
Media: Air Quality
Violation No.: 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See violation no. 1

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

\$0

TOTAL

\$0

Screening Date 22-Mar-2007

Docket No. 2007-0440-AIR-E

PCW

Respondent Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33030

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator John Muennink

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 101.201(b)(1)(H) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to properly report the amount of ethylene emissions. Specifically, the final notification reported that 7,650 lbs of ethylene were released as a result of the January 16, 2007 emissions event; however the investigation determined that the actual emissions released were 8,205 lbs of ethylene.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0%
	Potential				

>> Programmatic Matrix

Matrix Notes	Falsification	Major	Moderate	Minor	Percent

The Respondent has met at least 70% of the rule requirement.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$453

This violation Final Assessed Penalty (adjusted for limits) \$453

Economic Benefit Worksheet

Respondent: Houston Refining LP
Case ID No.: 33030
Reg. Ent. Reference No.: RN100218130
Media: Air Quality
Violation No.: 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See violation no. 1

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

\$0

TOTAL

\$0

Screening Date 22-Mar-2007

Docket No. 2007-0440-AIR-E

PCW

Respondent Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33030

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator John Muennink

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 2167, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, 189 lbs of propane, 530 lbs of propylene, 821 lbs of butanes, 1,064 lbs of butenes, 3,154 lbs of pentanes, 2,589 lbs of pentenes and 13,734 lbs of C6+ Hazardous Air Pollutants ("HAP") were released from the 732 Fluid Catalytic Cracking Unit ("FCCU") during an avoidable emissions event that began March 4, 2007 and lasted 15 minutes. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to a significant amount of pollutants as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	x
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$45,300

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

Economic Benefit Worksheet

Respondent: Houston Refining LP
Case ID No.: 33030
Reg. Ent. Reference No.: RN100218130
Media: Air Quality
Violation No.: 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No. cont/mas or \$</small>							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/Construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See violation no. 1

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 \$0

TOTAL \$0

Screening Date 22-Mar-2007

Docket No. 2007-0440-AIR-E

PCW

Respondent Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33030

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute] Air Quality

Enf. Coordinator John Muennink

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 2167, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, 72 lbs of ethylene, 2,195 lbs of propane, 7,057 lbs of propylene, 11,000 lbs of butanes, 8,990 lbs of butenes, 4,110 lbs of pentanes and 23,328 lbs of C6+ HAPs were released from the 732 FCCU during an avoidable emissions event that began March 5, 2007 and lasted 20 minutes. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to a significant amount of pollutants as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	x
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$45,300

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

Economic Benefit Worksheet

Respondent: Houston Refining LP
Case ID No: 33030
Reg. Ent. Reference No: RN100218130
Media: Air Quality
Violation No: 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See violation no. 1

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

\$0

TOTAL

\$0

Components (Multimedia) for the Site :

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

Effective Date: 08/22/2002 ADMINORDER 2001-0072-AIR-E
Classification: Moderate

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

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

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

Classification: Moderate

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

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

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

Classification: Moderate

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

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

Classification: Moderate

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

Rqmt Prov: SC15 PERMIT

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

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

Classification: Moderate

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

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

Effective Date: 12/05/2003 COURTORDER

Classification: Major

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

Rqmt Prov: SC 1 PERMIT

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

Effective Date: 07/01/2004 ADMINORDER 2003-1418-AIR-E

Classification: Moderate

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

Rqmt Prov: Special Condition No. 1 PERMIT

Description: Allowed an unauthorized release of SO2, H2S, and SO3 from the Sulfur Recovery Complex. Specifically, an emissions event occurred on December 19, 2002 which resulted in excess emissions of 85,009 lbs of SO2, 1,869 lbs of H2S, and 2,426 lbs of SO3.

Effective Date: 04/10/2005 ADMINORDER 2004-0866-AIR-E

Classification: Moderate

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

Rqmt Prov: PSD-TX-985, Special Condition 1 PERMIT

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

Effective Date: 08/07/2005 ADMINORDER 2004-2002-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)

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

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

Classification: Minor

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

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

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

Classification: Moderate

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

Rqmt Prov: Flexible Permit No. 2167, SC #1. PERMIT
Description: Failed to comply with permitted emissions limits.

Effective Date: 02/05/2006 ADMINORDER 2005-0754-AIR-E

Classification: Moderate

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

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

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

Classification: Moderate

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

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

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

Classification: Moderate

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

Rqmt Prov: Flexible Permit #2167, SC #44B PA

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

Classification: Moderate

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

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

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

Classification: Minor

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

Rqmt Prov: Special Condition 47 PERMIT

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

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 115, SubChapter D 115.352(2)
30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.171(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #14.I PA
Description: Failed to repair three valves within 15 days of leak detection

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)

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

Rqmt Prov: Flexible Permit #2167, SC #37 PA

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

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 115, SubChapter B 115.114(a)(1)
30 TAC Chapter 115, SubChapter B 115.114(a)(2)
30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(a)(2)(I)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(b)(1)(II)
5C THC Chapter 382, SubChapter A 382.085(b)

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

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

Effective Date: 05/28/2006 ADMINORDER 2005-1985-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)

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

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

Description: Failed to prevent unauthorized emissions.

Effective Date: 06/15/2006 ADMINORDER 2005-2073-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)

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

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

Description: Failed to prevent unauthorized emissions.

Effective Date: 02/05/2007 ADMINORDER 2006-0811-AIR-E

Classification: Moderate

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

Rqmt Prov: No. 2167, SC #1 PERMIT

Description: Failed to prevent unauthorized emissions on November 7, 2005.

Classification: Moderate

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

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

Description: Failed to prevent unauthorized emissions on March 21, 2006.

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 05/07/2002 (156186)
2 06/17/2002 (156186)

2	06/11/2002	(156189)
3	07/08/2002	(156192)
4	07/19/2002	(1841)
5	08/01/2002	(3456)
6	08/07/2002	(156196)
7	08/31/2002	(4788)
8	08/31/2002	(10045)
9	08/31/2002	(10424)
10	08/31/2002	(9990)
11	08/31/2002	(10142)
12	08/31/2002	(10031)
13	09/10/2002	(156199)
14	10/08/2002	(156202)
15	10/28/2002	(13011)
16	11/14/2002	(156206)
17	11/25/2002	(12940)
18	12/16/2002	(156210)
19	01/06/2003	(10859)
20	01/13/2003	(156214)
21	02/18/2003	(24723)
22	02/20/2003	(156176)
23	03/10/2003	(156179)
24	03/21/2003	(27575)
25	04/08/2003	(156183)
26	04/21/2003	(29841)
27	05/13/2003	(294606)
28	06/16/2003	(294608)
29	07/07/2003	(294610)
30	07/31/2003	(35420)
31	08/04/2003	(144785)
32	08/06/2003	(144511)
33	08/12/2003	(294612)
34	08/18/2003	(112865)
35	09/10/2003	(294614)
36	10/14/2003	(294616)
37	11/12/2003	(294617)
38	12/16/2003	(294618)
39	01/05/2004	(252510)
40	01/08/2004	(294619)
41	01/30/2004	(258069)
42	02/03/2004	(252543)
43	02/09/2004	(294599)
44	02/23/2004	(4691)
45	02/24/2004	(263274)
46	02/29/2004	(262038)
47	03/09/2004	(294603)
48	04/16/2004	(294604)
49	05/14/2004	(264609)
50	05/20/2004	(351815)
51	05/27/2004	(143412)
52	06/14/2004	(351816)
53	07/22/2004	(351817)
54	08/11/2004	(286666)
55	08/11/2004	(288389)
56	08/11/2004	(287948)
57	08/16/2004	(260979)
58	08/16/2004	(260585)
59	08/16/2004	(351818)
60	08/19/2004	(261725)
61	08/24/2004	(271493)
62	08/31/2004	(271505)
63	08/31/2004	(289666)
64	08/31/2004	(292409)
65	09/01/2004	(276631)
66	09/15/2004	(351819)
67	10/15/2004	(282886)
68	10/18/2004	(351820)
69	10/19/2004	(335898)
70	10/19/2004	(336015)
71	11/11/2004	(290238)

72 11/11/2004 (292704)
73 11/11/2004 (291091)
74 11/14/2004 (271509)
75 11/18/2004 (340059)
76 11/18/2004 (351821)
77 11/22/2004 (341679)
78 12/03/2004 (269989)
79 12/07/2004 (341250)
80 12/09/2004 (342162)
81 12/14/2004 (342195)
82 12/16/2004 (285369)
83 12/27/2004 (351822)
84 12/28/2004 (278159)
85 01/05/2005 (21204)
86 01/18/2005 (381702)
87 01/28/2005 (345654)
88 02/02/2005 (347718)
89 02/15/2005 (381700)
90 03/16/2005 (347527)
91 03/21/2005 (381701)
92 03/29/2005 (375273)
93 04/14/2005 (376977)
94 04/14/2005 (372794)
95 04/18/2005 (419493)
96 04/19/2005 (376798)
97 04/22/2005 (349552)
98 05/02/2005 (372107)
99 05/03/2005 (376226)
100 05/20/2005 (381195)
101 05/24/2005 (419494)
102 05/25/2005 (379525)
103 05/26/2005 (337173)
104 05/26/2005 (349881)
105 06/07/2005 (395018)
106 06/20/2005 (419495)
107 06/21/2005 (379593)
108 07/07/2005 (379524)
109 07/22/2005 (400281)
110 07/25/2005 (419496)
111 08/15/2005 (404916)
112 08/18/2005 (404363)
113 08/18/2005 (404331)
114 08/24/2005 (405604)
115 08/24/2005 (405556)
116 08/24/2005 (440650)
117 08/25/2005 (404773)
118 09/19/2005 (440651)
119 10/10/2005 (431795)
120 10/10/2005 (468144)
121 10/28/2005 (432450)
122 10/31/2005 (432333)
123 11/07/2005 (468145)
124 11/23/2005 (435308)
125 12/02/2005 (431511)
126 12/28/2005 (434541)
127 01/19/2006 (468146)
128 02/01/2006 (468142)
129 02/25/2006 (456998)
130 02/25/2006 (457020)
131 02/25/2006 (457004)
132 02/28/2006 (457235)
133 03/17/2006 (468143)
134 04/10/2006 (498011)
135 04/20/2006 (437368)
136 04/27/2006 (439800)
137 05/10/2006 (498012)
138 05/31/2006 (480504)
139 05/31/2006 (480500)
140 05/31/2006 (480503)
141 05/31/2006 (480506)

142 05/31/2006 (480494)
 143 06/14/2006 (479843)
 144 06/15/2006 (498013)
 145 06/15/2006 (481316)
 146 06/15/2006 (461559)
 147 06/29/2006 (458901)
 148 06/30/2006 (469140)
 149 07/17/2006 (485790)
 150 07/26/2006 (520029)
 151 07/28/2006 (463199)
 152 08/08/2006 (489220)
 153 08/11/2006 (520030)
 154 08/18/2006 (396831)
 155 09/11/2006 (489202)
 156 10/06/2006 (489212)
 157 10/12/2006 (544276)
 158 10/30/2006 (511654)
 159 11/21/2006 (544277)
 160 01/09/2007 (532009)
 161 01/25/2007 (512685)
 162 02/02/2007 (435323)
 163 02/02/2007 (511662)
 164 02/05/2007 (536476)
 165 02/08/2007 (512678)
 166 02/22/2007 (510814)
 167 02/23/2007 (511980)
 168 03/21/2007 (539194)
 169 03/21/2007 (539188)
 170 03/21/2007 (539192)

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

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

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

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

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

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

Date: 05/14/2004 (264609)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PERMIT Permit #2167, Special Condition #1
 Description: Exceeded VOC permit limit during an emissions event.

Date: 08/16/2004 (260585)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PERMIT TCEQ FLEXIBLE AIR PERMIT 2167, SC #1
 Description: Exceeded VOC permit limit during an avoidable emissions event.

Self Report?	NO	Classification:	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.201(b)(8)		
Description:	Failure to submit an administratively complete final emissions event report.		
Date:	08/16/2004	(260979)	
Self Report?	NO	Classification:	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.201(b)(8)		
Description:	Failure to comply with emissions events reporting requirements.		
Date:	08/18/2004	(261725)	
Self Report?	NO	Classification:	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.201(b)(8)		
Rqmt Prov:	5C THC Chapter 382, SubChapter A 382.085(b)		
Description:	PERMIT TCEQ Flexible Air Permit #2167, SC #1		
Date:	11/14/2004	(271509)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a)		
Rqmt Prov:	5C THC Chapter 382, SubChapter A 382.085(b)		
Description:	PERMIT Flexible No. 2167 and PSD-TX-985, S.C. 1		
Self Report?	NO	Classification:	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.201(c)		
Description:	Failure to submit a final report within 14 days of the end of an emissions event.		
Date:	11/30/2004	(351822)	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	TWC Chapter 26 26.121(a)[G]		
Date:	12/09/2004	(342162)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(3)		
Rqmt Prov:	30 TAC Chapter 116, SubChapter G 116.715(a)		
Description:	PA Special Conditon #1		
Date:	05/02/2005	(372107)	
Self Report?	NO	Classification:	Minor
Citation:	30 TAC Chapter 117, SubChapter B 117.219(f)(10)		
Description:	5C THC Chapter 382, SubChapter A 382.085(b)		
Date:	05/26/2005	(379525)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.110(a)(1)		
Description:	5C THC Chapter 382, SubChapter A 382.085(b)		
Date:	07/06/2005	(379524)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.352(4)		
Rqmt Prov:	30 TAC Chapter 116, SubChapter G 116.715(a)		
Description:	5C THC Chapter 382, SubChapter A 382.085(b)		
Date:	07/06/2005	(379524)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.352(4)		
Rqmt Prov:	PERMIT Special Condition 15E		
Description:	Failed to keep a cap or plug on open-ended line ID # 501010 and open-ended valve # 614862.		
Date:	07/31/2005	(440650)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.352(4)		
Rqmt Prov:	30 TAC Chapter 116, SubChapter G 116.715(a)		
Description:	40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6[G]		
Date:	07/31/2005	(440650)	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	TWC Chapter 26 26.121(a)[G]		
Date:	06/13/2006	(479843)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a)		
Rqmt Prov:	5C THC Chapter 382, SubChapter D 382.085(b)		
Description:	PERMIT TCEQ Flexible Permit #2167, SC #1		
Date:	06/30/2006	(520029)	

Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	07/31/2006	(520030)	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date:	08/01/2006	(463199)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(1) 30 TAC Chapter 115, SubChapter D 115.352(4) 30 TAC Chapter 116, SubChapter G 116.715(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)		
Rqmt Prov:	PA 2167 and PSD-TX-985, SC 15E		
Description:	Failure to cap/plug open-ened line		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(1) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)		
Description:	Leaking plug associated with valve #802412.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(1) 30 TAC Chapter 115, SubChapter D 115.354(2)(C) 30 TAC Chapter 116, SubChapter G 116.715(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)		
Rqmt Prov:	PA 2167 and PSD-TX-985, SC 15F		
Description:	Failure to monitor valves		
Date:	08/09/2006	(489220)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter D 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Flexible Permit #2167, SC#1		
Description:	Failure to prevent the disconnection of a pressure indication instrument.		
Date:	08/18/2006	(396831)	
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT Flexible Permit No. 2167, SC #1.		
Description:	The RE failed to prevent unauthorized emissions from a leaking pipe.		
Date:	10/31/2006	(544277)	
Self Report?	YES	Classification:	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		

F. Environmental audits.

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

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
HOUSTON REFINING LP
RN100218130**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-0440-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Houston Refining LP ("Houston Refining") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Houston Refining presented this agreement to the Commission.

Houston Refining understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, Houston Refining agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon Houston Refining.

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

I. FINDINGS OF FACT

1. Houston Refining owns and operates a refinery at 12000 Lawndale Street in Houston, Harris County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During record reviews on February 6, 7 and 9 and March 22, 2007, TCEQ staff documented that:
 - a. 10,494 pounds ("lbs") of sulfur dioxide, 126 lbs of carbon monoxide and 22 lbs of hydrogen sulfide were released from the Sulfur Recovery Complex during an avoidable emissions event that began January 4, 2007 and lasted nine hours and 45 minutes;
 - b. 1,431 lbs of propane, 510 lbs of propylene and 11 lbs of butenes were released from Unit 234 during an avoidable emissions event that began January 9, 2007 and lasted eight hours;
 - c. 8,205 lbs of the Highly Reactive Volatile Organic Compound ethylene were released from the Paraxylene Recovery Unit during an avoidable emissions event that began January 16, 2007 and lasted one hour and 55 minutes;
 - d. The final notification reported that 7,650 lbs of ethylene were released as a result of the January 16, 2007 emissions event, however the investigation determined that the actual emissions released were 8,205 lbs of ethylene;
 - e. 189 lbs of propane, 530 lbs of propylene, 821 lbs of butanes, 1,064 lbs of butenes, 3,154 lbs of pentanes, 2,589 lbs of pentenes and 13,734 lbs of C6+ Hazardous Air Pollutants ("HAP") were released from the 732 Fluid Catalytic Cracking Unit ("FCCU") during an avoidable emissions event that began March 4, 2007 and lasted 15 minutes; and
 - f. 72 lbs of ethylene, 2,195 lbs of propane, 7,057 lbs of propylene, 11,000 lbs of butanes, 8,990 lbs of butenes, 4,110 lbs of pentanes and 23,328 lbs of C6+ HAPs were released from the 732 FCCU during an avoidable emissions event that began March 5, 2007 and lasted 20 minutes.
4. Houston Refining received notice of the violations on March 26 and April 9, 2007.

II. CONCLUSIONS OF LAW

1. Houston Refining is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3.a., Houston Refining failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 2167, Special Condition No. 1. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
3. As evidenced by Findings of Fact No. 3.b., Houston Refining failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 2167, Special Condition No. 1. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

4. As evidenced by Findings of Fact No. 3.c., Houston Refining failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 2167, Special Condition No. 1. Since these emissions were avoidable and improperly reported, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
5. As evidenced by Findings of Fact No. 3.d., Houston Refining failed to properly report the amount of ethylene emissions on the final notification for the January 16, 2007 emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(b)(1)(H) and TEX. HEALTH & SAFETY CODE § 382.085(b).
6. As evidenced by Findings of Fact No. 3.e., Houston Refining failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 2167, Special Condition No. 1. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
7. As evidenced by Findings of Fact No. 3.f., Houston Refining failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 2167, Special Condition No. 1. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
8. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Houston Refining for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
9. An administrative penalty in the amount of Fifty Thousand Four Hundred Fifty-Three Dollars (\$50,453) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. Houston Refining has paid Twenty-Five Thousand Two Hundred Twenty-Seven Dollars (\$25,227) of the administrative penalty. Twenty-Five Thousand Two Hundred Twenty-Six Dollars (\$25,226) shall be conditionally offset by Houston Refining's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

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

1. Houston Refining is assessed an administrative penalty in the amount of Fifty Thousand Four Hundred Fifty-Three Dollars (\$50,453) as set forth in Section II, Paragraph 9 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Houston Refining's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made

payable to "TCEQ" and shall be sent with the notation "Re: Houston Refining LP, Docket No. 2007-0440-AIR-E" to:

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

2. Houston Refining shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 9 above, Twenty-Five Thousand Two Hundred Twenty-Six Dollars (\$25,226) of the assessed administrative penalty shall be offset with the condition that Houston Refining implement the SEP defined in Attachment A, incorporated herein by reference. Houston Refining's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. Houston Refining shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order:
 - i. Conduct training designed to ensure that emissions are correctly estimated and reported;
 - ii. Implement measures designed to prevent the reoccurrence of emissions due to the same causes as that of the January 4, 9 and 16 and March 4 and 5, 2007 emissions events; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 3.a.

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

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

4. The provisions of this Agreed Order shall apply to and be binding upon Houston Refining. Houston Refining is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If Houston Refining fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Houston Refining's failure to comply is not a violation of this Agreed Order. Houston Refining shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Houston Refining shall notify the Executive Director within seven days after Houston Refining becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Houston Refining shall be made in writing to the Executive Director. Extensions are not effective until Houston Refining receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to Houston Refining if the Executive Director determines that Houston Refining has not complied with one or more of the terms or conditions in this Agreed Order.
8. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
9. This Agreed Order, issued by the Commission, shall not be admissible against Houston Refining in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
10. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

6/19/07

Date

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

I understand that by entering into this Agreed Order, Houston Refining LP waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that 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

5-8-07

Date

William F. Thompson

Name (Printed or typed)
Authorized Representative of
Houston Refining LP

VP General 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.

Attachment A
Docket Number: 2007-0440-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Houston Refining LP
Payable Penalty Amount:	Fifty Thousand Four Hundred Fifty-Three Dollars (\$50,453)
SEP Amount:	Twenty-Five Thousand Two Hundred Twenty-Six Dollars (\$25,226)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
Location of SEP:	Harris County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

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

2. Performance Schedule

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

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

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

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

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.