EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2006-2008-AIR-E TCEQ ID: RN101222602 CASE NO.: 31769
RESPONDENT NAME: Oxy USA WTP, L.P.

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	_X_AIR	__INDUSTRIAL AND HAZARDOUS WASTE	__MUNICIPAL SOLID WASTE
__OCCUPATIONAL CERTIFICATION	__PETROLEUM STORAGE TANKS	__PUBLIC WATER SUPPLY	__RADIOACTIVE WASTE
__MULTI-MEDIA (check all that apply)	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL	__USED OIL
__USED OIL FILTER	__WATERQUALITY		

SITE WHERE VIOLATION(S) OCCURRED: Salt Creek Gas Plant, 10.5 miles west of Clairemont on United States Highway 380, four miles north on Farm-to-Market Road 1081, then east on a private road for about four miles, Kent County

TYPE OF OPERATION: Natural gas processing plant

SMALL BUSINESS: ___Yes __X_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 May 7, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None
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. Greg Hardin, Manager, HES & Regulatory, Oxy USA WTP, L.P., P.O. Box 50250, Midland, Texas 79710
Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: ___Complaint ___Routine ___Enforcement Follow-up __X_Records Review **Date of Complaint Relating to this Case:** None **Dates of Investigations Relating to this Case:** September 20 and December 4, 2006 **Dates of NOEs Relating to this Case:** November 8, 2006 and January 26, 2007 (NOEs) **Background Facts:** These were routine record reviews. Five violations were documented. **AIR** 1) Failed to prevent unauthorized emissions. Specifically, 429,029 pounds ("lbs") of carbon monoxide, 49,683 lbs of nitrogen oxides, 503,875 lbs of sulfur dioxide, 5,446.6 lbs of hydrogen sulfide and 132,179 lbs of natural gas were released from the K-3501 A Compressor during an emissions event that began on November 10, 2005 and lasted 6,643 hours and 10 minutes. Since these emissions were avoidable and found to be unreasonably lengthy, Oxy USA failed to meet the demonstrations necessary for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §116.115(c), Permit No. 20660, Special Condition No. 1, and TEX. HEALTH AND SAFETY CODE § 382.085(b)]. 2) Failed to limit the ethylene glycol circulation rate for the Glycol Still Vent below 2.0 gallons per minute on seven occasions during the August 1, 2005 through July 31, 2006 reporting period [30 TEX. ADMIN. CODE §§ 106.6(b) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 00550, Special Condition No. 9]. 3) Failed to limit carbon monoxide, nitrogen oxide, sulfur dioxide and volatile organic compound ("VOC") emissions from five compressor drives (Engine Nos. 1, 2, 3, 10A and 10B) and two ethylene glycol heaters (Heater Nos. 6 and 26) during the August 1, 2005 through July 31, 2006 reporting period [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 20660, Special Condition No. 1, and Permit No. 00550, Special Condition No. 8].	**Total assessed:** $152,350 **Total Deferred:** $30,470 _X_Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $121,880 **Site Compliance History Classification:** __High _X_Average __Poor **Person Compliance History Classification:** __High _X_Average __Poor **Major Source:** _X_Yes __No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** 1) The Executive Director recognizes that Oxy USA has implemented the following corrective measures at the Plant: a. Oxy USA informed the TCEQ of the status of the November 10, 2005 emissions event on a regular basis; b. Oxy USA completed the overhaul of the K-3501 A Compressor on August 13, 2006 and put it back into service, ending the emissions event; c. Permit No. 20660 was amended on July 28, 2006 to increase the glycol circulation rate for the Glycol Still Vent in order prevent flow rate exceedances; and d. Oxy USA submitted a permit revision application for Permit No. 20660 on October 30, 2006 to increase the permitted emission limits for Compressor Drive Engine Nos. 1, 2, 10A and 10B and Ethylene Glycol Heater Nos. 6 and 26 in order prevent emission limit exceedances. **Ordering Provisions:** 2) The Order will require the Respondent to: a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application that was submitted on October 30, 2006 within 30 days after the date of such requests, or by any other deadline specified in writing; b. Within 30 days after the effective date of this Agreed Order: i. Implement measures designed to ensure proper flame monitoring and the presence of a flame at all times; ii. Submit documentation which indicates specifically what pieces of equipment were not in VOC service for the August 1, 2005 through July 31, 2006 reporting period; and

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
4) Failed to operate the North flare with a flame present at all times and to provide flame monitoring from August 1, 2006 through December 15, 2006. Specifically, the flame was lost on five occasions during this period and the infrared monitor was not functioning [30 TEX. ADMIN CODE §§ 116.115(c), 101.20(1) and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.18(c)(2) and (f)(2), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 20660, Special Condition No. 2, and Permit No. 00550, Special Condition No. 8]. 5. Failed to meet the reporting and recordkeeping requirements for gas analysis demonstrating that certain equipment was not in VOC service during the August 1, 2005 through July 31, 2006 reporting period and to provide reasoning for component count changes on the semiannual monitoring report [30 TEX. ADMIN. CODE §§ 116.115(c), 122.143(4) and 101.20(1), 40 CODE OF FEDERAL REGULATIONS §§ 60.486(i)(3) and (j) and 60.487(c)(4), Permit No. 20660, Special Condition No. 3, and Permit No. 00550, Special Condition No. 8].		iii. Implement measures designed to ensure proper reporting and recordkeeping for equipment gas analysis, including equipment in VOC service. c. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 2.b.; and d. Within 365 days after the effective date of this Agreed Order, submit written certification that the emissions from five compressor drives (Engine Nos. 1, 2, 3, 10A and 10B) and two ethylene glycol heaters have been properly authorized.

Penalty Calculation Worksheet (PCW)

TCEQ

Policy Revision 2 (September 2002) — *PCW Revision February 15, 2005*

DATES					
Assigned	13-Nov-2006				
PCW	14-Feb-2007	Screening	21-Nov-2006	EPA Due	6-Aug-2007

RESPONDENT/FACILITY INFORMATION

Respondent	Oxy USA WTP, L.P.		
Reg. Ent. Ref. No.	RN101222602		
Facility/Site Region	3-Abilene	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	31769	No. of Violations	5
Docket No.	2006-2008-AIR-E	Order Type	1660
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* $77,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — 34% Enhancement — *Subtotals 2, 3, & 7* $26,350

Notes: Enhancement due to three NOVs with same or similar violations and one 1660 Agreed Order. Reduction due to one notice of audit letter.

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

Notes: Respondent does not meet the culpability criteria.

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

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

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

0% Enhancement* — *Subtotal 6* $0

Total EB Amounts	$365
Approx. Cost of Compliance	$14,300

**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 — *Final Subtotal* $103,850

OTHER FACTORS AS JUSTICE MAY REQUIRE — 47% — *Adjustment* $48,500

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

Notes: Upward adjustment in penalty due to the duration and the significant amount of pollutants released as a result of the upset in violation no. 1.

Final Penalty Amount $152,350

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* $152,350

DEFERRAL — 20% Reduction — *Adjustment* -$30,470

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 $121,880

Screening Date	21-Nov-2006	**Docket No.** 2006-2008-AIR-E	**PCW**
Respondent	Oxy USA WTP, L.P.		*Policy Revision 2 (September 2002)*
Case ID No.	31769		*PCW Revision February 15, 2005*
Reg. Ent. Reference No.	RN101222602		
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*)	3	15%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	1	20%
	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 submitted)*	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%

		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 34%

>> 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 three NOVs with same or similar violations and one 1660 Agreed Order. Reduction due to one notice of audit letter.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 34%

Screening Date	21-Nov-2006	**Docket No.** 2006-2008-AIR-E	**PCW**
Respondent	Oxy USA WTP, L.P.		*Policy Revision 2 (September 2002)*
Case ID No.	31769		*PCW Revision February 15, 2005*
Reg. Ent. Reference No.	RN101222602		
Media [Statute]	Air Quality		
Enf. Coordinator	John Muennink		

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §116.115(c), Permit No. 20660, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, 429,029 pounds ("lbs") of carbon monoxide, 49,683 lbs of nitrogen oxides, 503,875 lbs of sulfur dioxide, 5,446.6 lbs of hydrogen sulfide and 132,179 lbs of natural gas were released from the K-3501 A Compressor during an emissions event that began on November 10, 2005 and lasted 6,643 hours and 10 minutes. Since these emissions were avoidable and found to be unreasonably lengthy, Oxy USA failed to meet the demonstrations necessary for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment has been exposed to a significant amount of pollutants that do not exceed levels protective of human health or environmental receptors.

Adjustment $5,000

$5,000

Violation Events

Number of Violation Events 10 | 277 Number of violation days

mark only one with an x

daily	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $50,000

Ten monthly events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $284

Statutory Limit Test

Violation Final Penalty Total $98,290

This violation Final Assessed Penalty (adjusted for limits) $98,290

Economic Benefit Worksheet

Respondent: Oxy USA WTP, L.P.
Case ID No.: 31769
Reg. Ent. Reference No.: RN101222602
Media: Air Quality
Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description: 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)	$7,500	10-Nov-2005	13-Aug-2006	0.8	$284	n/a	$284
Notes for DELAYED costs	Estimated expense to overhaul the K-3501 A Compressor in order to prevent the reoccurrence of emissions due to similar causes. Date required is the date of the emissions event. Final date is the date corrective actions were completed.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $7,500

TOTAL: $284

Screening Date	21-Nov-2006	**Docket No.** 2006-2008-AIR-E	**PCW**
Respondent	Oxy USA WTP, L.P.		*Policy Revision 2 (September 2002)*
Case ID No.	31769		*PCW Revision February 15, 2005*
Reg. Ent. Reference No.	RN101222602		
Media [Statute]	Air Quality		
Enf. Coordinator	John Muennink		

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 106.6(b) and 122.143(4), Tex. Health & Safety Code § 382.085(b), and Permit No. 00550, Special Condition No. 9

Violation Description Failed to limit the ethylene glycol circulation rate for the Glycol Still Vent below 2.0 gallons per minute on seven occasions during the August 1, 2005 through July 31, 2006 reporting period.

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 has 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: 4

7 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $10,000

Four quarterly events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount -$35

Statutory Limit Test

Violation Final Penalty Total $19,658

This violation Final Assessed Penalty (adjusted for limits) $19,658

Economic Benefit Worksheet

Respondent: Oxy USA WTP, L.P.
Case ID No.: 31769
Reg. Ent. Reference No.: RN101222602
Media: Air Quality
Violation No.: 2

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs	$2,000	4-Dec-2006	28-Jul-2006	-0.4	-$35	n/a	-$35
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated expense to revise Permit No. 20660. Date required is the date of the investigation. Final date is the date that the permit revisions were approved and corrective actions were completed.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $2,000

TOTAL: -$35

Screening Date	21-Nov-2006	Docket No. 2006-2008-AIR-E	PCW
Respondent	Oxy USA WTP, L.P.		Policy Revision 2 (September 2002)
Case ID No.	31769		PCW Revision February 15, 2005
Reg. Ent. Reference No.	RN101222602		
Media [Statute]	Air Quality		
Enf. Coordinator	John Muennink		

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit No. 20660, Special Condition No. 1, and Permit No. 00550, Special Condition No. 8

Violation Description Failed to limit of carbon monoxide, nitrogen oxide, sulfur dioxide and volatile organic compound ("VOC") emissions from five compressor drives (Engine Nos. 1, 2, 3, 10A and 10B) and two ethylene glycol heaters (Heater Nos. 6 and 26) during the August 1, 2005 through July 31, 2006 reporting period.

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 has 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 4 | 10 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $10,000

Four quarterly events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $49

Statutory Limit Test

Violation Final Penalty Total $19,658

This violation Final Assessed Penalty (adjusted for limits) $19,658

Economic Benefit Worksheet

Respondent Oxy USA WTP, L.P.
Case ID No. 31769
Reg. Ent. Reference No. RN101222602
Media Air Quality
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	No commas or $						
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)	$2,000	4-Dec-2006	31-May-2007	0.5	$49	n/a	$49
Notes for DELAYED costs	Estimated expense to revise Permit No. 20660. Date required is the date of the investigation. Final date is the date that corrective actions are estimated to 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
				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance $2,000

TOTAL $49

Screening Date	21-Nov-2006	**Docket No.** 2006-2008-AIR-E	**PCW**
Respondent	Oxy USA WTP, L.P.		*Policy Revision 2 (September 2002)*
Case ID No.	31769		*PCW Revision February 15, 2005*
Reg. Ent. Reference No.	RN101222602		
Media [Statute]	Air Quality		
Enf. Coordinator	John Muennink		

Violation Number 4

Rule Cite(s) 30 Tex. Admin Code §§ 116.115(c), 101.20(1) and 122.143(4), 40 Code of Federal Regulations § 60.18(c)(2) and (f)(2), Tex. Health & Safety Code § 382.085(b), Permit No. 20660, Special Condition No. 2, and Permit No. 00550, Special Condition No. 8

Violation Description Failed to operate the North flare with a flame present at all times and to provide flame monitoring from August 1, 2006 through December 15, 2006. The flame was lost on five occasions during this period and the infrared monitor was not functioning.

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 has been exposed to an insignificant amount pollutants as a result of the violation.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events: 2

136 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $5,000

Two quarterly events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $61

Statutory Limit Test

Violation Final Penalty Total $9,829

This violation Final Assessed Penalty (adjusted for limits) $9,829

Economic Benefit Worksheet

Respondent Oxy USA WTP, L.P.
Case ID No. 31769
Reg. Ent. Reference No. RN101222602
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
	No commas or $						
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)	$2,500	4-Dec-2006	31-May-2007	0.5	$61	n/a	$61
Notes for DELAYED costs	Estimated expense to repair infrared monitor for the North Flare to ensure proper flare monitoring. Date required is the date of the investigation. Final date is the date that corrective actions are estimated to 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
				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance $2,500

TOTAL $61

Screening Date	21-Nov-2006	**Docket No.** 2006-2008-AIR-E	**PCW**
Respondent	Oxy USA WTP, L.P.		*Policy Revision 2 (September 2002)*
Case ID No.	31769		*PCW Revision February 15, 2005*
Reg. Ent. Reference No.	RN101222602		
Media [Statute]	Air Quality		
Enf. Coordinator	John Muennink		

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c), 122.143(4) and 101.20(1), 40 Code of Federal Regulations §§ 60.486(i)(3) and (j) and 60.487(c)(4), Permit No. 20660, Special Condition No. 3, and Permit No. 00550, Special Condition No. 8

Violation Description Failed to meet the reporting and recordkeeping requirements for gas analysis demonstrating that certain equipment was not in VOC service during the August 1, 2005 through July 31, 2006 reporting period and to provide reasoning for component count changes on the semiannual monitoring report.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: The respondent failed to meet 100% of the rule requirement.

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

Estimated EB Amount $7

Statutory Limit Test

Violation Final Penalty Total $4,915

This violation Final Assessed Penalty (adjusted for limits) $4,915

Economic Benefit Worksheet

Respondent: Oxy USA WTP, L.P.
Case ID No.: 31769
Reg. Ent. Reference No.: RN101222602
Media: Air Quality
Violation No.: 5

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)	$300	4-Dec-2006	31-May-2007	0.5	$7	n/a	$7
Notes for DELAYED costs	Estimated expense to ensure proper reporting and recordkeeping. Date required is the date of the investigation. Final date is the date that corrective actions are estimated to 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
				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $300

TOTAL: $7

Compliance History

Customer/Respondent/Owner-Operator:	CN600125827	Oxy USA WTP, L.P.	Classification: AVERAGE	Rating: 2.79
Regulated Entity:	RN101222602	SALT CREEK GAS PLANT	Classification: AVERAGE	Site Rating: 0.89

ID Number(s):			
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	KE0003R
	AIR NEW SOURCE PERMITS	PERMIT	20023
	AIR NEW SOURCE PERMITS	PERMIT	20660
	AIR NEW SOURCE PERMITS	PERMIT	550
	AIR NEW SOURCE PERMITS	PERMIT	36256
	AIR NEW SOURCE PERMITS	PERMIT	37346
	AIR NEW SOURCE PERMITS	PERMIT	38595
	AIR NEW SOURCE PERMITS	AFS NUM	0001
	AIR NEW SOURCE PERMITS	PERMIT	51443
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX795
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX795M2
	AIR NEW SOURCE PERMITS	REGISTRATION	24522
	AIR NEW SOURCE PERMITS	REGISTRATION	79531
	AIR NEW SOURCE PERMITS	REGISTRATION	79900
	AIR OPERATING PERMITS	ACCOUNT NUMBER	KE0003R
	AIR OPERATING PERMITS	PERMIT	550

Location: FROM CLAIREMONT, TX GO W ON US HWY 380 APPROX 10.5 MI, THEN N ON FM 1081 APPROX 4 MI, THEN E ON PRIVATE RD ABOUT 4 MI. Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 03 - ABILENE

Date Compliance History Prepared: November 13, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 13, 2001 to November 13, 2006

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

Name: John Muennink Phone: (361) 825-3423

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? Yes
3. If Yes, who is the current owner? Oxy USA WTP, L.P.
4. if Yes, who was/were the prior owner(s)? ExxonMobil Production Company
5. When did the change(s) in ownership occur? 8/1/2005

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: 05/12/2006 ADMINORDER 2005-1643-AIR-E

Classification: Moderate

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

Description: Failure to obtain regulatory authority or to meet the demonstration requirements of 30 Tex. Admin. Code § 101.222 for emissions from the Compressor K-3502 that occurred on from August 29, 2004 to December 18, 2004 (Incident Nos. 45243 and 45244).

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 10/03/2006 (512605)
2 09/26/2005 (418887)
3 03/30/2006 (456826)
4 12/20/2002 (19683)
5 11/08/2005 (435474)
6 10/15/2005 (419181)
7 09/09/2004 (283340)

8	10/15/2005	(419182)
9	04/05/2006	(461446)
10	10/15/2005	(431534)
11	07/28/2006	(487474)
12	03/21/2006	(456818)
13	03/21/2006	(456821)
14	03/30/2006	(456827)
15	09/26/2005	(402681)
16	08/07/2002	(4949)
17	09/26/2005	(418888)
18	09/26/2005	(402682)
19	10/20/2006	(487224)
20	10/15/2005	(431535)
21	01/18/2002	(88024)
22	08/23/2005	(402683)
23	01/11/2002	(88023)
24	10/15/2005	(431119)
25	01/11/2002	(88022)
26	10/15/2005	(431536)
27	05/31/2006	(466414)
28	08/23/2006	(486751)
29	03/21/2006	(456822)
30	01/06/2006	(436604)
31	06/28/2004	(274466)
32	01/06/2006	(436605)
33	01/06/2006	(436606)
34	10/15/2005	(431061)
35	01/06/2006	(436608)
36	10/15/2005	(431062)
37	01/06/2006	(436609)
38	01/06/2006	(436610)
39	10/03/2006	(487210)
40	03/21/2006	(456823)
41	09/29/2006	(487213)
42	10/15/2005	(431166)
43	01/06/2006	(436611)
44	01/06/2006	(436612)
45	11/08/2006	(460827)
46	01/06/2006	(436613)
47	10/15/2005	(419183)
48	06/07/2006	(466525)
49	01/06/2006	(436614)
50	09/26/2005	(418890)
51	04/26/2006	(456824)
52	05/31/2006	(466481)
53	01/10/2003	(16174)
54	09/29/2006	(487218)
55	06/07/2006	(466524)
56	09/26/2005	(418891)
57	08/15/2005	(340475)
58	06/07/2006	(466520)
59	01/06/2006	(450871)
60	08/23/2005	(402685)
61	05/31/2006	(466480)
62	05/09/2006	(464847)
63	07/27/2004	(285084)
64	03/30/2006	(456825)
65	10/15/2005	(431118)
66	03/10/2005	(340472)
67	12/14/2005	(435686)
68	07/28/2006	(487214)
69	09/09/2004	(283338)
70	09/29/2006	(512608)
71	08/23/2005	(402687)

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

Date: 01/06/2003 (16174)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.145(1)(C)

Description: Inadequate submittal of required information

Date: 06/07/2006 (466520)

Self Report? NO Classification: Moderate

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

Description: Oxy could have avoided these events by better operation and maintenance practices and a part of a frequent and recurring pattern indicative of inadequate design, operation, or maintenance.

Date: 06/22/2004 (274466)

Self Report? NO Classification: Moderate

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

30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)

Description: Oxy failed to submit the Final Report within fourteen says after the end of the March 9 2003 emissions event.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(C)

Rqmt Prov: OP IA

Description: Oxy failed to submit a semi annual deviation report within 30 days of the end of the reporting period.

F. Environmental audits.

Notice of Intent Date: 10/10/2006 (518796)

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 NATURAL RESOURCE CONSERVATION COMMISSION

IN THE MATTER OF AN	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
OXY USA WTP, L.P.	§	
RN101222602	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-2008-AIR-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 Oxy USA WTP, L.P. ("Oxy USA") 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 Oxy USA appear before the Commission and together stipulate that:

1. Oxy USA owns and operates a natural gas processing plant 10.5 miles west of Clairemont on United States Highway 380, four miles north on Farm-to-Market Road 1081, then east on a private road for about four miles in Kent County, Texas (the "Plant").

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

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

4. Oxy USA received notice of the violations alleged in Section II ("Allegations") on or about November 13, 2006 and January 31, 2007.

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

6. An administrative penalty in the amount of One Hundred Fifty-Two Thousand Three Hundred Fifty Dollars ($152,350) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Oxy USA has paid One Hundred Twenty-One Thousand Eight

Hundred Eighty Dollars ($121,880) of the administrative penalty and Thirty Thousand Four Hundred Seventy Dollars ($30,470) is deferred contingent upon Oxy USA'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 Oxy USA fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Oxy USA 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 Oxy USA 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 Oxy USA has implemented the following corrective measures at the Plant:

   a. Oxy USA informed the TCEQ of the status of the November 10, 2005 emissions event on a regular basis;

   b. Oxy USA completed the overhaul of the K-3501 A Compressor on August 13, 2006 and put it back into service, ending the emissions event;

   c. Permit No. 20660 was amended on July 28, 2006 to increase the glycol circulation rate for the Glycol Still Vent in order prevent flow rate exceedances; and

   d. Oxy USA submitted a permit revision application for Permit No. 20660 on October 30, 2006 to increase the permitted emission limits for Compressor Drive Engine Nos. 1, 2, 10A and 10B and Ethylene Glycol Heater Nos. 6 and 26 in order prevent emission limit exceedances.

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 Oxy USA 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 Plant, Oxy USA is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §116.115(c), Permit No. 20660, Special Condition No. 1, and TEX. HEALTH AND SAFETY CODE § 382.085(b), as documented during a record review conducted on September 20, 2006. Specifically, 429,029 pounds ("lbs") of carbon monoxide, 49,683 lbs of nitrogen oxides, 503,875 lbs of sulfur dioxide, 5,446.6 lbs of hydrogen sulfide and 132,179 lbs of natural gas were released from the K-3501 A Compressor during an emissions event that began on November 10, 2005 and lasted 6,643 hours and 10 minutes. Since these emissions were avoidable and found to be unreasonably lengthy, Oxy USA failed to meet the demonstrations necessary for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

2. Failed to limit the ethylene glycol circulation rate for the Glycol Still Vent below 2.0 gallons per minute on seven occasions during the August 1, 2005 through July 31, 2006 reporting period, in violation of 30 TEX. ADMIN. CODE §§ 106.6(b) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit No. 00550, Special Condition No. 9, as documented during a record review conducted on December 4, 2006.

3. Failed to limit carbon monoxide, nitrogen oxide, sulfur dioxide and volatile organic compound ("VOC") emissions from five compressor drives (Engine Nos. 1, 2, 3, 10A and 10B) and two ethylene glycol heaters (Heater Nos. 6 and 26) during the August 1, 2005 through July 31, 2006 reporting period, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 20660, Special Condition No. 1, and Permit No. 00550, Special Condition No. 8, as documented during a record review conducted on December 4, 2006.

4. Failed to operate the North flare with a flame present at all times and to provide flame monitoring from August 1, 2006 through December 15, 2006, in violation of 30 TEX. ADMIN CODE §§ 116.115(c), 101.20(1) and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.18(c)(2) and (f)(2), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 20660, Special Condition No. 2, and Permit No. 00550, Special Condition No. 8, as documented during a record review conducted on December 4, 2006. Specifically, the flame was lost on five occasions during this period and the infrared monitor was not functioning.

5. Failed to meet the reporting and recordkeeping requirements for gas analysis demonstrating that certain equipment was not in VOC service during the August 1, 2005 through July 31, 2006 reporting period and to provide reasoning for component count changes on the semiannual monitoring report, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 122.143(4) and 101.20(1), 40 CODE OF FEDERAL REGULATIONS §§ 60.486(i)(3) and (j) and 60.487(c)(4), Permit No. 20660, Special Condition No. 3, and Permit No. 00550, Special Condition No. 8, as documented during a record review conducted on December 4, 2006.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Oxy USA pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Oxy USA'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: Oxy USA WTP, L.P., Docket No. 2006-2008-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. It is further ordered that Oxy USA shall undertake the following technical requirements:

   a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application that was submitted on October 30, 2006 within 30 days after the date of such requests, or by any other deadline specified in writing;

   b. Within 30 days after the effective date of this Agreed Order:

      i. Implement measures designed to ensure proper flame monitoring and the presence of a flame at all times;

      ii. Submit documentation which indicates specifically what pieces of equipment were not in VOC service for the August 1, 2005 through July 31, 2006 reporting period; and

      iii. Implement measures designed to ensure proper reporting and recordkeeping for equipment gas analysis, including equipment in VOC service.

   c. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 2.b. as described in Ordering Provision No. 2.e.

   d. Within 365 days after the effective date of this Agreed Order, submit written certification that the emissions from five compressor drives (Engine Nos. 1, 2, 3, 10A and 10B) and two ethylene glycol heaters have been properly authorized; and

   e. The certifications referenced in Ordering Provision Nos. 2.c. and 2.d. shall be notarized by a State of Texas Notary Public and include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

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

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

4. This Agreed Order, issued by the Commission, shall not be admissible against Oxy USA 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.

5. If Oxy USA 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, Oxy USA's failure to comply is not a violation of this Agreed Order. Oxy USA shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Oxy USA shall notify the Executive Director within seven days after Oxy USA 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 Oxy USA shall be made in writing to the Executive Director. Extensions are not effective until Oxy USA receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

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

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

2007-05-21 13:39 8253437 TCEQ P 3/3

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

5/24/07
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.

Greg Hardin
Signature

5/21/07
Date

Greg Hardin
Name (Printed or typed)
Authorized Representative of
Oxy USA WTP, L.P.

Manager HES & Regulatory
Title

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