

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-0044-AIR-E **TCEQ ID:** RN100212786 **CASE NO.:** 32131
RESPONDENT NAME: Occidental Permian Ltd.

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: Slaughter Gasoline Plant, 3.5 miles west of Sundown on Highway 301, Hockley County</p> <p>TYPE OF OPERATION: Gas processing plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions 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 May 7, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Havey Wilson, Enforcement Division, Enforcement Team 3, MC 149, (512) 239-0321; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896 Respondent: Mr. Greg Hardin, Manager, HES & Regulatory, Occidental Permian Ltd., 5 East Greenway Plaza, Suite 110, Houston, Texas 77046 Respondent's Attorney: Not represented by counsel on this enforcement matter/0, 0,</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 Review Relating to this Case: October 16, 2006</p> <p>Date of NOE Relating to this Case: November 21, 2006 (NOE)</p> <p>Background Facts: This was a routine record review.</p> <p>AIR</p> <p>Failed to maintain an emission rate below the allowable emission limits [30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 18406, Special Condition 1, General Operating Permit ("GOP") No. O-00559, Special Condition b.4.A., and TEX. HEALTH & SAFETY CODE §382.085(b)].</p>	<p>Total Assessed: \$25,300</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$25,300</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: The violation in the order included unauthorized emissions which are excessive emissions events.</p>	<p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a) Within 30 days after the effective date of this Agreed Order, implement improvements to design, operation, or maintenance procedures, in order to address the emission events that occurred on January 24 and 29, 2006 and to prevent the recurrence of same or similar incidents; and</p> <p>b) Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. a.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision May 25, 2007

DATES	Assigned	27-Nov-2006	Screening	20-Dec-2006	EPA Due	2-Oct-2007
	PCW	18-Jan-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	Occidental Permian Ltd.		
Reg. Ent. Ref. No.	RN100212786		
Facility/Site Region	2-Lubbock	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	32131	No. of Violations	2
Docket No.	2007-0044-AIR-E	Order Type	Findings
Media Program(s)	Air	Enf. Coordinator	Jason Kemp
Multi-Media		EC's Team	EnforcementTeam 4
Admin. Penalty \$	Limit Minimum	\$0	Maximum
			\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1 \$25,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 6% Enhancement Subtotals 2, 3, & 7 \$1,500

Notes: The compliance history was enhanced by one same or similar NOV, one non-similar NOV, and reduced by one Notice of Audit letter.

Culpability No 0% Enhancement Subtotal 4 \$0

Notes: The Respondent does not meet the culpability criteria.

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

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

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

0% Enhancement* Subtotal 6 \$0
 *Capped at the Total EB \$ Amount

Total EB Amounts	\$755
Approx. Cost of Compliance	\$10,000

SUM OF SUBTOTALS 1-7 Final Subtotal \$26,500

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment \$0

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

Notes:

Final Penalty Amount \$26,500

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty \$25,300

DEFERRAL 0% Reduction Adjustment \$0

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

Notes:

No deferral is recommended for Findings Orders.

PAYABLE PENALTY \$25,300

Screening Date 20-Dec-2006

Docket No. 2007-0044-AIR-E

PCW

Respondent Occidental Permian Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32131

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN100212786

Media [Statute] Air

Enf. Coordinator Jason Kemp

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were 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) 6%

>> 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

The compliance history was enhanced by one same or similar NOV, one non-similar NOV, and reduced by one Notice of Audit letter.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 6%

Screening Date 20-Dec-2006	Docket No. 2007-0044-AIR-E	PCW			
Respondent Occidental Permian Ltd.		<small>Policy Revision 2 (September 2002)</small>			
Case ID No. 32131		<small>PCW Revision May 25, 2007</small>			
Reg. Ent. Reference No. RN100212786					
Media [Statute] Air					
Enf. Coordinator Jason Kemp					
Violation Number <input type="text" value="1"/>					
Rule Cite(s)	30 Tex. Admin. Code § 116.115(c), New Source Review ("NSR") Permit No. 18406, Special Condition 1, General Operating Permit ("GOP") No. O-00559, Special Condition b.4.A., and Tex. Health & Safety Code § 382.085(b)				
Violation Description	Failed to maintain an emission rate below the allowable emission limits. Specifically, beginning on January 24, 2006, over a period of 32.5 hours, the Emergency Flare (EPN: FL3) emitted unauthorized emissions of approximately 8,971 pounds ("lbs") of carbon monoxide, 591 lbs of hydrogen sulfide, 15,435 lbs of volatile organic compounds ("VOC"), 4,994 lbs of nitrogen oxides, and 54,467 lbs of sulfur dioxide, while the emission limits are zero. Since these emissions could have been foreseen and avoided by good design, operation, and maintenance practices, the emissions do not meet the affirmative defense criteria specified in 30 Tex. Admin. Code § 101.222, as documented during an investigation conducted on October 16, 2006.				
	Base Penalty	<input type="text" value="\$10,000"/>			
>> Environmental, Property and Human Health Matrix					
OR	Release	Harm			
		Major Moderate Minor			
	Actual	<input type="text" value="x"/>	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="100%"/>
>> Programmatic Matrix					
	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="0%"/>
Matrix Notes	Human health or the environment was exposed to a significant amounts of pollutants which exceeded levels that are protective to human health or the environment.				
	Adjustment	<input type="text" value="\$0"/>			
		<input type="text" value="\$10,000"/>			
Violation Events					
	Number of Violation Events	<input type="text" value="2"/>	<input type="text" value="2"/>	Number of violation days	
	<small>mark only one with an x</small>	daily	<input type="text" value="x"/>	monthly	<input type="text"/>
		quarterly	<input type="text"/>	semiannual	<input type="text"/>
		annual	<input type="text"/>	single event	<input type="text"/>
				Violation Base Penalty	<input type="text" value="\$20,000"/>
	Two daily events is recommended.				
Economic Benefit (EB) for this violation			Statutory Limit Test		
	Estimated EB Amount	<input type="text" value="\$379"/>	Violation Final Penalty Total	<input type="text" value="\$21,200"/>	
	This violation Final Assessed Penalty (adjusted for limits)			<input type="text" value="\$20,000"/>	

Economic Benefit Worksheet

Respondent Occidental Permian Ltd.
Case ID No. 32131
Reg. Ent. Reference No. RN100212786
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost <small>No commas or \$</small>	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)	\$5,000	24-Jan-2006	1-Aug-2007	1.5	\$379	n/a	\$379

Notes for DELAYED costs
 Estimated cost is for implementing training procedures to address the causes that led to the emission event. The Date Required is the date of the emissions event, and the Final Date is the date the respondent is expected to have completed corrective actions.

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	\$5,000	TOTAL	\$379
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Screening Date 20-Dec-2006

Docket No. 2007-0044-AIR-E

PCW

Respondent Occidental Permian Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32131

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN100212786

Media [Statute] Air

Enf. Coordinator Jason Kemp

Violation Number

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), NSR Permit No. 18406, Special Condition 1, GOP No. O-00559, Special Condition b.4.A., and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain an emission rate below the allowable emission limits. Specifically, beginning on January 29, 2006, over a period of 48 hours, the Tail Gas Incinerator (EPN: IE19) emitted unauthorized emissions of approximately 117 pounds ("lbs") of hydrogen sulfide, and 7,083 lbs of sulfur dioxide. The permit limits are 13.14 pounds per hour ("lbs/hr") for hydrogen sulfide and 800 lbs/hr for sulfur dioxide. Since these emissions could have been foreseen and avoided by good design, operation, and maintenance practices, the emissions do not meet the affirmative defense criteria specified in 30 Tex. Admin. Code § 101.222, as documented during an investigation conducted on October 16, 2006.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		X	
Potential			

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes

Human health or the environment has been exposed to a significant amounts of pollutants which do not exceed levels that are protective to human health or the environment.

Adjustment

Violation Events

Number of Violation Events

Number of violation days

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

Violation Base Penalty

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent: Occidental Permian Ltd.
Case ID No.: 32131
Reg. Ent. Reference No.: RN100212786
Media: Air
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)	\$5,000	29-Jan-2006	1-Aug-2007	1.5	\$376	n/a	\$376

Notes for DELAYED costs: Estimated cost is for implementing training procedures to address the causes that led to the emission event. The Date Required is the date of the emissions event, and the Final Date is the date the respondent is expected to complete corrective actions.

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	\$5,000	TOTAL	\$376
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Compliance History

Customer/Respondent/Owner-Operator: CN600755086 Occidental Permian Ltd. Classification: AVERAGE Rating: 2.89
 Regulated Entity: RN100212786 SLAUGHTER GASOLINE PLANT Classification: AVERAGE Site Rating: 0.10

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HP0005E
	AIR OPERATING PERMITS	PERMIT	2883
	AIR NEW SOURCE PERMITS	PERMIT	18406
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HP0005E
	AIR NEW SOURCE PERMITS	PERMIT	A6282
	AIR NEW SOURCE PERMITS	PERMIT	5974
	AIR NEW SOURCE PERMITS	PERMIT	7561
	AIR NEW SOURCE PERMITS	PERMIT	3394
	AIR NEW SOURCE PERMITS	PERMIT	3633
	AIR NEW SOURCE PERMITS	REGISTRATION	47103
	AIR NEW SOURCE PERMITS	REGISTRATION	13177
	AIR NEW SOURCE PERMITS	AFS NUM	4821900003

Location: 4 MILES WEST OF SUNDOWN ON 301, SUNDOWN, TX, 79372 Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 02 - LUBBOCK

Date Compliance History Prepared: July 18, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: July 18, 2002 to July 18, 2007

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

Name: Harvey Wilson Phone: 239-0321

Site Compliance History Components

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

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
- | | | |
|-----|------------|----------|
| 1 | 10/03/2002 | (13096) |
| N/A | | |
| 2 | 01/02/2003 | (20539) |
| 3 | 07/30/2003 | (145440) |
| 4 | 06/16/2004 | (275861) |
| 5 | 07/27/2004 | (281458) |
| 6 | 01/24/2005 | (345671) |
| 7 | 02/16/2005 | (350561) |
| 8 | 02/22/2005 | (349962) |
| 9 | 03/09/2005 | (373186) |
| 10 | 03/21/2005 | (374773) |
| 11 | 03/21/2005 | (373497) |
| 12 | 03/22/2005 | (374973) |
| 13 | 03/22/2005 | (375009) |
| 14 | 06/06/2005 | (393311) |
| 15 | 02/27/2006 | (456941) |
| 16 | 02/27/2006 | (456718) |
| 17 | 02/27/2006 | (457005) |

18 03/13/2006 (458116)
 19 03/13/2006 (457948)
 20 03/23/2006 (454785)
 21 03/31/2006 (457949)
 22 04/05/2006 (460434)
 23 04/05/2006 (460262)
 24 04/24/2006 (459413)
 25 04/24/2006 (459750)
 26 07/18/2006 (487353)
 27 07/18/2006 (487381)
 28 07/19/2006 (487423)
 29 07/26/2006 (487567)
 30 10/03/2006 (512473)
 31 10/27/2006 (517057)
 32 10/31/2006 (514739)
 33 11/14/2006 (519255)
 34 11/21/2006 (515913)
 35 11/21/2006 (517533)
 36 12/01/2006 (532353)
 37 12/01/2006 (531926)
 38 02/01/2007 (537264)
 39 02/01/2007 (537719)
 40 02/07/2007 (538544)
 41 02/27/2007 (541543)
 42 03/29/2007 (554322)
 43 05/11/2007 (560305)

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

Date: 01/29/2002 (104967)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

Description: VOC Monitoring Reports

Date: 11/21/2006

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115 .115(c)

Rqmt Prov: OP IA

Permit IA

Description: The Regulated Entity exceed the MAERT lb/hr limit for the cooling tower by 2.33 lb/hr during November and 4.64 lbs/hr during December. This is an alleged violation of this 30 TAC § 116.115(a)/NSR Permit No. 18406 SC NO. 1/GOP Permit No. O-00559 SC No b.4.A.

F. Environmental audits.

Notice of Intent Date: 10/10/2006

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 Out side of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
OCCIDENTAL PERMIAN LTD.
RN100212786

§ BEFORE THE
§ TEXAS COMMISSION ON
§ ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2007-0044-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 Occidental Permian Ltd. ("Occidental") 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 Occidental presented this agreement to the Commission.

Occidental 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, Occidental 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 Occidental.

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

I. FINDINGS OF FACT

1. Occidental owns and operates a gas processing plant at 4 miles west of Sundown on Highway 301 in Sundown, Hockley 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 a record review on October 16, 2006, TCEQ staff documented that Occidental failed to maintain an emission rate below the allowable emission limits. Specifically, beginning on January 24, 2006, over a period of 32.5 hours, the Emergency Flare (EPN: FL3) emitted unauthorized emissions of approximately 8,971 pounds ("lbs") of carbon monoxide, 591 lbs of hydrogen sulfide, 15,435 lbs of volatile organic compounds, 4,994 lbs of nitrogen oxides, and 54,467 lbs of sulfur dioxide, while the emission limits are zero. Since these emissions could have been foreseen and avoided by good design, operation, and maintenance practices, the emissions do not meet the affirmative defense criteria specified in 30 TEX. ADMIN. CODE § 101.222.
4. During a record review on October 16, 2006, TCEQ staff documented that Occidental failed to maintain an emission rate below the allowable emission limits. Specifically, beginning on January 29, 2006, over a period of 48 hours, the Tail Gas Incinerator (EPN: IE19) emitted unauthorized emissions of approximately 117 pounds ("lbs") of hydrogen sulfide, and 7,083 lbs of sulfur dioxide. The permit limits are 13.14 pounds per hour ("lbs/hr") for hydrogen sulfide and 800 lbs/hr for sulfur dioxide. Since these emissions could have been foreseen and avoided by good design, operation, and maintenance practices, the emissions do not meet the affirmative defense criteria specified in 30 TEX. ADMIN. CODE § 101.222.
5. Occidental received notice of the violations on November 27, 2006.

II. CONCLUSIONS OF LAW

1. Occidental 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, Occidental failed to maintain an emission rate below the allowable emission limits, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review ("NSR") Permit No. 18406, Special Condition 1, General Operating Permit ("GOP") No. O-00559, Special Condition b.4.A., and TEX. HEALTH & SAFETY CODE § 382.085(b).
3. As evidenced by Findings of Fact No. 4, Occidental failed to maintain an emission rate below the allowable emission limits, in violation of 30 TEX. ADMIN. CODE § 116.115(c), NSR Permit No. 18406, Special Condition 1, GOP No. O-00559, Special Condition b.4.A., and TEX. HEALTH & SAFETY CODE § 382.085(b).
4. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Occidental 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.
5. An administrative penalty in the amount of Twenty Five Thousand Three Hundred Dollars (\$25,300) 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. Occidental has paid the Twenty-Five Thousand Three Hundred Dollar (\$25,300) administrative penalty.

III. ORDERING PROVISIONS

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

1. Occidental is assessed an administrative penalty in the amount of Twenty-Five Thousand Three Hundred Dollars (\$25,300) as set forth in Section II, Paragraph 5 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Occidental'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: Occidental Permian Ltd., Docket No. 2007-0044-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. Occidental shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement improvements to design, operation, or maintenance procedures, in order to address the emission events that occurred on January 24 and 29, 2006 and to prevent the recurrence of same or similar incidents; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

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

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
Lubbock Regional Office
Texas Commission on Environmental Quality
5012 50th Street, Suite 100
Lubbock, Texas 79414-3421

3. The provisions of this Agreed Order shall apply to and be binding upon Occidental. Occidental 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.
4. If Occidental 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, Occidental's failure to comply is not a violation of this Agreed Order. Occidental shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Occidental shall notify the Executive Director within seven days after Occidental becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Occidental shall be made in writing to the Executive Director. Extensions are not effective until Occidental receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. 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 Occidental if the Executive Director determines that Occidental has not complied with one or more of the terms or conditions in this Agreed Order.
7. 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.
8. This Agreed Order, issued by the Commission, shall not be admissible against Occidental 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.



9. 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.
10. 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

John Sollen
For the Executive Director

7/25/07
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Occidental Permian Ltd. I am authorized to agree to the attached Agreed Order on behalf of Occidental Permian Ltd., 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, Occidental Permian Ltd. 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.

Greg Hardin
Signature

2/26/07
Date

Greg Hardin
Name (Printed or typed)
Authorized Representative of
Occidental Permian Ltd.

Manager, HES & Regulatory
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.

10/25/14

10/25/14

Dear Mr. [Name],

I am writing to you regarding the [Topic] of your [Document/Project].

The information provided in your [Document/Project] is [Detailed Description].

I have reviewed the [Document/Project] and find it [Detailed Description].

Sincerely,
[Signature]

Sincerely,
[Signature]