

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2008-0867-AIR-E **TCEQ ID:** RN103758470 **CASE NO.:** 35946
RESPONDENT NAME: Hess Corporation

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input 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: Amerada Hess Seminole Gas Processing Plant, located 3.5 miles northwest on Highway 214 from the intersection of Highway 80 and Highway 214, Gaines County</p> <p>TYPE OF OPERATION: Natural 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 September 22, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Trina Grieco, Enforcement Division, Enforcement Team 5, MC R-13, (210) 403-4006; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Mike Ford, Environmental Coordinator, Hess Corporation, P.O. Box 1570, Seminole, Texas 79360-1570 Mr. Brent Lohnes, Plant Manager, Hess Corporation, P.O. Box 1570, Seminole, Texas 79360-1570 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 checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: March 25, 2008</p> <p>Date of NOV/NOE Relating to this Case: May 14, 2008 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>Failure to maintain carbon monoxide ("CO") emissions at or below the rates listed in the maximum allowable emission rate table ("MAERT") for the Refrigerator Turbine A, emission point number E-2-1. Specifically, the CO emissions rate during a stack test conducted on May 31, 2007 was 59.33 pounds per hour ("lbs/hr"), but the MAERT limit was 55.30 lbs/hr [30 TEX. ADMIN. CODE § 116.115(b)(2)(F), New Source Review Permit No. 8414, Special Condition 1 and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$1,975</p> <p>Total Deferred: \$395 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$1,580</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>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. Installed additional control equipment on the Refrigerator Turbine A by June 13, 2007; and</p> <p>b. Conducted a stack test at the Refrigerator Turbine A that demonstrated compliance with permitted emission rates on July 10, 2007.</p>

Additional ID No(s): GA0085T



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision June 12, 2008

TCEQ

DATES	Assigned	29-May-2008	Screening	21-May-2008	EPA Due	8-Feb-2009
	PCW	17-Jun-2008				

RESPONDENT/FACILITY INFORMATION	
Respondent	Hess Corporation
Reg. Ent. Ref. No.	RN103758470
Facility/Site Region	7-Midland
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	35946	No. of Violations	1
Docket No.	2008-0867-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Trina Grieco
		EC's Team	Enforcement Team 5
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 Total Adjustments *Subtotal 5*

Economic Benefit Enhancement* *Subtotal 6*

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

SUM OF SUBTOTALS 1-7 *Final Subtotal*

OTHER FACTORS AS JUSTICE MAY REQUIRE *Adjustment*

Reduces or enhances the Final Subtotal by the indicated percentage.

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 21-May-2008

Docket No. 2008-0867-AIR-E

PCW

Respondent Hess Corporation

Policy Revision 2 (September 2002)

Case ID No. 35946

PCW Revision June 12, 2008

Reg. Ent. Reference No. RN103758470

Media [Statute] Air

Enf. Coordinator Trina Grieco

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	2	4%
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)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<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) 4%

>> 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

Penalty enhancement due to two NOVs issued for dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 4%

Screening Date 21-May-2008	Docket No. 2008-0867-AIR-E	PCW												
Respondent Hess Corporation		<small>Policy Revision 2 (September 2002)</small>												
Case ID No. 35946		<small>PCW Revision June 12, 2008</small>												
Reg. Ent. Reference No. RN103758470														
Media [Statute] Air														
Enf. Coordinator Trina Grieco														
Violation Number <input type="text" value="1"/>														
Rule Cite(s)	30 Tex. Admin. Code § 116.115(b)(2)(F), New Source Review Permit No. 8414, Special Condition 1 and Tex. Health & Safety Code § 382.085(b)													
Violation Description	Failed to maintain carbon monoxide ("CO") emissions at or below the rates listed in the maximum allowable emission rate table ("MAERT") for the Refrigerator Turbine A, emission point number E-2-1. Specifically, the CO emissions rate during a stack test conducted on May 31, 2007 was 59.33 pounds per hour ("lbs/hr"), but the MAERT limit was 55.30 lbs/hr.													
	Base Penalty	<input type="text" value="\$10,000"/>												
>> Environmental, Property and Human Health Matrix														
	Harm													
	Release Major Moderate Minor													
OR	Actual	<input type="text" value="x"/>												
	Potential	<input type="text"/>												
	Percent	<input type="text" value="25%"/>												
>> Programmatic Matrix														
	Falsification Major Moderate Minor													
	<input type="text"/>	<input type="text" value="0%"/>												
Matrix Notes	Human health or the environment has been exposed to insignificant amounts of pollutants that did not exceed levels protective of human health or environmental receptors as a result of the violation.													
	Adjustment	<input type="text" value="\$7,500"/>												
		<input type="text" value="\$2,500"/>												
Violation Events														
	Number of Violation Events <input type="text" value="1"/>	<input type="text" value="40"/> Number of violation days												
	<table border="1" style="border-collapse: collapse;"> <tr><td>daily</td><td><input type="text"/></td></tr> <tr><td>monthly</td><td><input type="text"/></td></tr> <tr><td>quarterly</td><td><input checked="" type="text" value="x"/></td></tr> <tr><td>semiannual</td><td><input type="text"/></td></tr> <tr><td>annual</td><td><input type="text"/></td></tr> <tr><td>single event</td><td><input type="text"/></td></tr> </table>	daily	<input type="text"/>	monthly	<input type="text"/>	quarterly	<input checked="" type="text" value="x"/>	semiannual	<input type="text"/>	annual	<input type="text"/>	single event	<input type="text"/>	Violation Base Penalty <input type="text" value="\$2,500"/>
daily	<input type="text"/>													
monthly	<input type="text"/>													
quarterly	<input checked="" type="text" value="x"/>													
semiannual	<input type="text"/>													
annual	<input type="text"/>													
single event	<input type="text"/>													
	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> One quarterly event is recommended from May 31, 2007 (the date of the initial stack test) to July 10, 2007 (the date of compliance). </div>													
Good Faith Efforts to Comply														
	<input type="text" value="25.0%"/> Reduction	<input type="text" value="\$625"/>												
	<small>Before NOV NOV to EDPRP/Settlement Offer</small>													
	Extraordinary <input type="text"/>	<input type="text"/>												
	Ordinary <input checked="" type="text" value="x"/>	<input type="text"/>												
	N/A <input type="text"/>	<small>(mark with x)</small>												
Notes	The Respondent completed corrective actions by July 10, 2007.													
	Violation Subtotal	<input type="text" value="\$1,875"/>												
Economic Benefit (EB) for this violation														
	Estimated EB Amount <input type="text" value="\$8"/>	Violation Final Penalty Total <input type="text" value="\$1,975"/>												
	This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$1,975"/>													

Economic Benefit Worksheet

Respondent Hess Corporation
Case ID No. 35946
Reg. Ent. Reference No. RN103758470
Media Air
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
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	31-May-2007	10-Jul-2007	0.11	\$8	n/a	\$8

Notes for DELAYED costs

Estimated cost to implement measures designed to ensure the Refrigerator Turbine A is operating within permitted limits. Date required is the failed stack test date. 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				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$8

Compliance History

Customer/Respondent/Owner-Operator:	CN600132245 Hess Corporation	Classification: AVERAGE	Rating: 3.37																																																
Regulated Entity:	RN103758470 AMERADA HESS SEMINOLE GAS PROCESSING PLANT	Classification: AVERAGE	Site Rating: 25.86																																																
ID Number(s):	<table style="width: 100%; border-collapse: collapse;"> <tr><td>AIR OPERATING PERMITS</td><td>ACCOUNT NUMBER</td><td>GA0085T</td></tr> <tr><td>AIR OPERATING PERMITS</td><td>PERMIT</td><td>627</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>8414</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>9235</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>25266</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>ACCOUNT NUMBER</td><td>GA0085T</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>EPA ID</td><td>PSDTX328M3</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>EPA ID</td><td>PSDTX485MI</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>76036</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>AFS NUM</td><td>4816500017</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>54081</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>76908</td></tr> <tr><td>PUBLIC WATER SYSTEM/SUPPLY</td><td>REGISTRATION</td><td>0830031</td></tr> <tr><td>INDUSTRIAL AND HAZARDOUS WASTE GENERATION</td><td>EPA ID</td><td>TXD982549958</td></tr> <tr><td>INDUSTRIAL AND HAZARDOUS WASTE GENERATION</td><td>SOLID WASTE REGISTRATION # (SWR)</td><td>72744</td></tr> <tr><td>WATER LICENSING</td><td>LICENSE</td><td>0830031</td></tr> </table>			AIR OPERATING PERMITS	ACCOUNT NUMBER	GA0085T	AIR OPERATING PERMITS	PERMIT	627	AIR NEW SOURCE PERMITS	PERMIT	8414	AIR NEW SOURCE PERMITS	PERMIT	9235	AIR NEW SOURCE PERMITS	PERMIT	25266	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	GA0085T	AIR NEW SOURCE PERMITS	EPA ID	PSDTX328M3	AIR NEW SOURCE PERMITS	EPA ID	PSDTX485MI	AIR NEW SOURCE PERMITS	REGISTRATION	76036	AIR NEW SOURCE PERMITS	AFS NUM	4816500017	AIR NEW SOURCE PERMITS	PERMIT	54081	AIR NEW SOURCE PERMITS	REGISTRATION	76908	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	0830031	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD982549958	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	72744	WATER LICENSING	LICENSE	0830031
AIR OPERATING PERMITS	ACCOUNT NUMBER	GA0085T																																																	
AIR OPERATING PERMITS	PERMIT	627																																																	
AIR NEW SOURCE PERMITS	PERMIT	8414																																																	
AIR NEW SOURCE PERMITS	PERMIT	9235																																																	
AIR NEW SOURCE PERMITS	PERMIT	25266																																																	
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	GA0085T																																																	
AIR NEW SOURCE PERMITS	EPA ID	PSDTX328M3																																																	
AIR NEW SOURCE PERMITS	EPA ID	PSDTX485MI																																																	
AIR NEW SOURCE PERMITS	REGISTRATION	76036																																																	
AIR NEW SOURCE PERMITS	AFS NUM	4816500017																																																	
AIR NEW SOURCE PERMITS	PERMIT	54081																																																	
AIR NEW SOURCE PERMITS	REGISTRATION	76908																																																	
PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	0830031																																																	
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD982549958																																																	
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	72744																																																	
WATER LICENSING	LICENSE	0830031																																																	
Location:	3.5 miles Northwest on Hwy 214 from the intersection of Hwy 180 and Hwy 214		Rating Date: September 01 07 Repeat Violator: NO																																																
TCEQ Region:	REGION 07 - MIDLAND																																																		
Date Compliance History Prepared:	May 20, 2008																																																		
Agency Decision Requiring Compliance History:	Enforcement																																																		
Compliance Period:	May 20, 2003 to May 20, 2008																																																		

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

Name: Trina Grieco Phone: (210) 403-4006

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)? | <u>N/A</u> |
| 5. When did the change(s) in ownership occur? | <u>N/A</u> |

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
- | | | |
|---|------------|----------|
| 1 | 06/26/2003 | (118959) |
| 2 | 11/04/2003 | (253894) |
| 3 | 11/19/2003 | (255419) |
| 4 | 02/28/2005 | (348138) |
| 5 | 08/03/2005 | (401385) |
| 6 | 06/14/2006 | (461515) |
| 7 | 10/27/2006 | (517190) |
| 8 | 10/01/2007 | (596153) |
| 9 | 10/05/2007 | (596259) |

10 10/29/2007 (599256)
11 10/31/2007 (599578)
12 11/01/2007 (599764)
13 11/30/2007 (610476)
14 12/07/2007 (599931)
15 02/29/2008 (637117)
16 05/12/2008 (644853)
17 05/20/2008 (671429)

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

Date: 10/31/2003 (253894)

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(A)

Description: Failure to notify the appropriate TCEQ regional office within 24 hours of the discovery of an Emissions Event.

Date: 05/14/2008 (669955)

Self Report? NO

Classification: Moderate

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

5C THSC Chapter 382 382.085(b)

Rqmt Prov: PERMIT Special Condition 4

Description: Failure to comply with special condition 4 of New Source Review permit number 9235.

Self Report? NO

Classification: Moderate

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

5C THSC Chapter 382 382.085(b)

Rqmt Prov: PERMIT Special Condition 5

Description: Failure to comply with special condition 5 of New Source Review permit number 9235.

F. Environmental audits.

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
HESS CORPORATION
RN103758470**

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

AGREED ORDER DOCKET NO. 2008-0867-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 Hess Corporation ("the Respondent") 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 the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a natural gas processing plant 3.5 miles northwest on Highway 214 from the intersection of Highway 80 and Highway 214 in Gaines 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 the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about May 19, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of One Thousand Nine Hundred Seventy-Five Dollars (\$1,975) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Thousand Five Hundred Eighty Dollars (\$1,580)

of the administrative penalty and Three Hundred Ninety-Five Dollars (\$395) is deferred contingent upon the Respondent'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 the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent 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 the Respondent 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 the Respondent has implemented the following corrective measures at the Plant:
 - a. Installed additional control equipment on the Refrigerator Turbine A by June 13, 2007; and
 - b. Conducted a stack test at the Refrigerator Turbine A that demonstrated compliance with permitted emission rates on July 10, 2007.
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 the Respondent 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, the Respondent is alleged to have failed to maintain emissions at or below the rates listed in the maximum allowable emission rate table ("MAERT") for the Refrigerator Turbine A, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F), New Source Review Permit No. 8414, Special Condition 1 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on March 25, 2008. Specifically, the emissions rate during a stack test conducted on May 31, 2007 was 59.33 pounds per hour ("lbs/hr"), but the MAERT limit was 55.30 lbs/hr.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

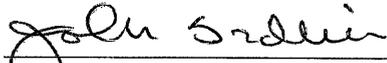
1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations 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: Hess Corporation, Docket No. 2008-0867-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. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent 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.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

9/4/2008
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 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 failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- 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;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

7/3/08
Date

Brent Lohnes
Name (Printed or typed)
Authorized Representative of
Hess Corporation

Plant 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.

