

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-1483-AIR-E **TCEQ ID:** RN100214386 **CASE NO.:** 34610
RESPONDENT NAME: Valero Refining-Texas, L.P.

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 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: Valero Corpus Christi Refinery West Plant, 5900 Up River Road, Corpus Christi, Nueces County</p> <p>TYPE OF OPERATION: Petroleum refining company</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are no 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 February 4, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768 TCEQ Enforcement Coordinator: Mr. John Muennink, Enforcement Division, Enforcement Section 5, MC R-14, (361) 825-3423; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Joe Almaraz, Director of HSE Services, Valero Refining-Texas, L.P., P.O. Box 9370, Corpus Christi, Texas 78469 Mr. Dennis Payne, Regional VP – Refinery Operations, Valero Refining-Texas, L.P., P.O. Box 9370, Corpus Christi, Texas 78469 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Record Review Relating to this Case: March 13, 2007</p> <p>Date of NOV/NOE Relating to this Case: August 28, 2007 (NOE)</p> <p>Background Facts: This was a record review for compliance with the air program.</p> <p>AIR</p> <p>Failure to prevent unauthorized emissions. Since this emissions event was avoidable and determined to be excessive, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.715(a), Permit No. 38754, Special Condition No. 48, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$34,125</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$17,062</p> <p>Total Paid to General Revenue: \$17,063</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: Human health and the environment have been exposed to pollutants which exceed levels that are protective.</p>	<p>Ordering Provisions:</p> <p>1) The Order will require the Respondent to implement and complete Supplemental Environmental Projects (SEPs) (See SEP Attachments A and B).</p> <p>2) The Order will require the Respondent to:</p> <p>a) Comply with the TCEQ request dated August 28, 2007 for submittal of a corrective action plan ("CAP") to address the excessive emissions event that occurred February 27, 2007;</p> <p>b) Respond completely and adequately, as determined by the executive director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by other deadline specified in writing;</p> <p>c) Upon Commission approval, implement the CAP in accordance with the approved schedule; and</p> <p>d) Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions 2.a. through 2.c. The certification shall be notarized by a State of Texas Notary Public.</p>

Additional ID No(s): NE0112G

Attachment A
Docket Number: 2007-1483-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Valero Refining-Texas, L.P.
Payable Penalty Amount: Thirty-Four Thousand One Hundred Twenty-Five Dollars (\$34,125)
SEP Amount: Eight Thousand Five Hundred Thirty-One Dollars (\$8,531)
Type of SEP: Pre-approved
Third-Party Recipient: Texas A&M Corpus Christi-AutoCheck Program
Location of SEP: Nueces County

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

1. Project Description

A. Project

The Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to implement the AutoCheck program. AutoCheck is a remote sensing system that detects polluting vehicles as they drive past the system. Motorists are informed if their vehicles are polluting via a large electronic sign. Once a vehicle is identified, qualified service stations perform repairs on these vehicles. Pre and post emissions tests are performed and tracked, and the service stations are reimbursed for their expenses. The monies shall be used to only pay for the repair vouchers, equipment maintenance, and a program operator. The operator shall only work on the AutoCheck program.

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

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing a direct reduction in air emissions from vehicles in the Corpus Christi Urban Air Shed. This direct area includes Nueces County and part of San Patricio County.

C. Minimum Expenditure

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

2. Performance Schedule

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

Texas A&M University-Corpus Christi
Pollution Prevention Partnership
Attention: Gretchen Arnold
6300 Ocean Drive, NRC #2200
Corpus Christi, Texas 78412

3. Records and Reporting

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

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

4. Failure to Fully Perform

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

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

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

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

5. Publicity

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

6. Clean Texas Program

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

7. Other SEPs by TCEQ or Other Agencies

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

Attachment B
Docket Number: 2007-1483-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Valero Refining-Texas, L.P.

Payable Penalty Amount: Thirty-Four Thousand One Hundred Twenty-Five Dollars (\$34,125)

SEP Amount: Eight Thousand Five Hundred Thirty-One Dollars (\$8,531)

Type of SEP: Pre-approved

Third-Party Recipient: Texas A&M University at Kingsville-South Texas Natives Seed and Plant Restoration Project

Location of SEP: Nueces County

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

1. Project Description

A. Project

The Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to develop adapted native seed sources and techniques for the establishment of native plant species. SEP monies will be used for evaluating selected native grass and forb species, increasing seed production, maintaining fields and harvesting and testing seed from multiple locations.

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

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by establishing the presence of adequate quantities of high quality native plants for South Texas habitat restoration. The use of these high quality native plants by South Texas land owners and nature preserves will increase favored food sources and shelter for wildlife. Additionally, native plants which evolved in the semi-arid region of South Texas will also aid in water conservation because less water is needed to maintain them.

C. Minimum Expenditure

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

2. Performance Schedule

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

Texas A&M University-Kingsville
Attn: Sandra Rexroat
Office of Sponsored Programs MSC 201
700 University Blvd
Kingsville, Texas 78363

3. Records and Reporting

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

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

4. Failure to Fully Perform

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

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

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

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

First main paragraph of text, starting with a capital letter.

Second main paragraph of text, starting with a capital letter.

Third main paragraph of text, starting with a capital letter.

Fourth main paragraph of text, starting with a capital letter.

Fifth main paragraph of text, starting with a capital letter.

Sixth main paragraph of text, starting with a capital letter.

Seventh main paragraph of text, starting with a capital letter.

Eighth main paragraph of text, starting with a capital letter.

Ninth main paragraph of text, starting with a capital letter.

Tenth main paragraph of text, starting with a capital letter.

5. Publicity

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

6. Clean Texas Program

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

7. Other SEPs by TCEQ or Other Agencies

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



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision May 25, 2007

DATES	Assigned	4-Sep-2007	Screening	12-Sep-2007	EPA Due	24-May-2008
	PCW	12-Sep-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	Valero Refining-Texas, L.P.		
Reg. Ent. Ref. No.	RN100214386		
Facility/Site Region	14-Corpus Christi	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	34610	No. of Violations	6
Docket No.	2007-1483-AIR-E	Order Type	Findings
Media Program(s)	Air	Enf. Coordinator	John Muennink
Multi-Media		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 \$22,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 93% Enhancement Subtotals 2, 3, & 7 \$20,925

Notes: Enhancement due to three NOVs with same or similar violations, 14 NOVs with unrelated violations (including eight self-reported monthly effluent violations) one 1660 Agreed Order and one court order containing a denial of liability.

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.

Total EB Amounts \$351 0% Enhancement* Subtotal 6 \$0
 Approx. Cost of Compliance \$7,000 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal \$43,425

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 \$43,425

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty \$34,125

DEFERRAL 0% Reduction Adjustment \$0

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

Notes:

No deferral is recommended for Findings Orders.

PAYABLE PENALTY \$34,125

Screening Date 12-Sep-2007

Docket No. 2007-1483-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 34610

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN100214386

Media [Statute] Air

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	14	28%
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 judgments or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%

Please Enter Yes or No

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

Adjustment Percentage (Subtotal 2) 93%

>> 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, 14 NOVs with unrelated violations (including eight self-reported monthly effluent violations) one 1660 Agreed Order and one court order containing a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 93%

Screening Date 12-Sep-2007	Docket No. 2007-1483-AIR-E	PCW		
Respondent Valero Refining-Texas, L.P.		<i>Policy Revision 2 (September 2002)</i>		
Case ID No. 34610		<i>PCW Revision May 25, 2007</i>		
Reg. Ent. Reference No. RN100214386				
Media [Statute] Air				
Enf. Coordinator John Muennink				
Violation Number <input type="text" value="1"/>				
Rule Cite(s)	30 Tex. Admin. § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 38754, Special Condition No. 48			
Violation Description	Failed to prevent unauthorized emissions. Specifically, the Respondent released 35,136.47 pounds ("lbs") of sulfur dioxide from the Hydrodesulfurization ("HDS") Unit during an avoidable emissions event that began February 27, 2007 and lasted 19 hours and 40 minutes. Since this emissions event was avoidable and determined to be excessive, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.			
	Base Penalty	<input type="text" value="\$10,000"/>		
>> Environmental, Property and Human Health Matrix				
OR	Harm			
	Release	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 has been exposed to a significant amount of pollutants as a result of the violation.			
	Adjustment	<input type="text" value="\$0"/>		
		<input type="text" value="\$10,000"/>		
Violation Events				
	Number of Violation Events	<input type="text" value="1"/>	Number of violation days	
		<input type="text" value="1"/>		
<i>mark only one with an x</i>	daily	<input type="text" value="x"/>	Violation Base Penalty	
	monthly	<input type="text"/>		
	quarterly	<input type="text"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	<input type="text"/>		
		<input type="text" value="\$10,000"/>		
	One daily event is recommended.			
Economic Benefit (EB) for this violation		Statutory Limit Test		
Estimated EB Amount	<input type="text" value="\$351"/>	Violation Final Penalty Total	<input type="text" value="\$19,300"/>	
	This violation Final Assessed Penalty (adjusted for limits)		<input type="text" value="\$10,000"/>	

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 34610
Reg. Ent. Reference No. RN100214386
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
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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)	\$7,000	27-Feb-2007	28-Feb-2008	1.0	\$351	n/a	\$351

Notes for DELAYED costs

Estimated expense to implement measures designed to ensure the proper maintenance of the level indicator for the HDS Unit. Date required is the date of the emissions event. 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
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$7,000

TOTAL

\$351

Screening Date 12-Sep-2007

Docket No. 2007-1483-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 34610

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN100214386

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number

Rule Cite(s) 30 Tex. Admin. § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 38754, Special Condition No. 48

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 613.1 lbs of volatile organic compounds ("VOC"), including 0.15 lbs of the Highly Reactive VOC ("HRVOC") ethylene and 0.24 lbs of the HRVOC trans-2-butene, from the HDS Unit during an avoidable emission event that began February 27, 2007 and lasted 19 hours and 40 minutes. Since this emissions event was avoidable and determined to be excessive, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="25%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>

Matrix Notes

Human health or the environment has been exposed to an insignificant amount of pollutants that do not exceed levels protective of human health or environmental receptors.

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input checked="" type="checkbox"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>

Violation Base Penalty

One quarterly 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 Valero Refining-Texas, L.P.
Case ID No. 34610
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 2

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)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See Economic Benefit for Violation No. 1.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 12-Sep-2007

Docket No. 2007-1483-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 34610

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN100214386

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 3

Rule Cite(s) 30 Tex. Admin. § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 38754, Special Condition No. 48

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 275.95 lbs of carbon monoxide from the HDS Unit during an avoidable emissions event that began February 27, 2007 and lasted 19 hours and 40 minutes. Since this emissions event was avoidable and determined to be excessive, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual			x	25%
	Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to an insignificant amount of pollutants that do not exceed levels protective of human health or environmental receptors.

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	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,825

This violation Final Assessed Penalty (adjusted for limits) \$4,825

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 34610
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See Economic Benefit for Violation No. 1.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 12-Sep-2007

Docket No. 2007-1483-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 34610

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN100214386

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number

Rule Cite(s) 30 Tex. Admin. § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 38754, Special Condition No. 48

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 381.45 lbs of hydrogen sulfide and 5.67 lbs of ammonia from the HDS Unit during an avoidable emissions event that began February 27, 2007 and lasted 19 hours and 40 minutes. Since this emissions event was avoidable and determined to be excessive, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text" value="25%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>

Matrix Notes

Human health or the environment has been exposed to an insignificant amount of pollutants that do not exceed levels protective of human health or environmental receptors.

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x	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

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 Valero Refining-Texas, L.P.
Case ID No. 34610
Reg. Ent. Reference No. RN100214386
Media Air
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)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See Economic Benefit for Violation No. 1.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 12-Sep-2007

Docket No. 2007-1483-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 34610

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN100214386

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number

Rule Cite(s) 30 Tex. Admin. § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 38754, Special Condition No. 48

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 114.11 lbs of nitrogen oxide from the HDS Unit during an avoidable emissions event that began February 27, 2007 and lasted 19 hours and 40 minutes. Since this emissions event was avoidable and determined to be excessive, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text" value="25%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>

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

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x	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

One quarterly 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 Valero Refining-Texas, L.P.
Case ID No. 34610
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

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

Notes for DELAYED costs

See Economic Benefit for Violation No. 1.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$0

TOTAL \$0

Screening Date 12-Sep-2007

Docket No. 2007-1483-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 34610

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN100214386

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 6

Rule Cite(s) 30 Tex. Admin. § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 38754, Special Condition No. 48

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 141.37 lbs of the Hazardous Air Pollutant hexane from the HDS Unit during an avoidable emissions event that began February 27, 2007 and lasted 19 hours and 40 minutes. Since this emissions event was avoidable and determined to be excessive, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to an insignificant amount of pollutants that do not exceed levels protective of human health or environmental receptors.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events Number of violation days

mark only one with an x	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	X
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>

Violation Base Penalty \$2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,825

This violation Final Assessed Penalty (adjusted for limits) \$4,825

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 34610
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

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

Notes for DELAYED costs

See Economic Benefit for Violation No. 1.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Compliance History

Customer/Respondent/Owner-Operator: CN600127468 Valero Refining-Texas, L.P. Classification: AVERAGE Rating: 6.44
 Regulated Entity: RN100214386 VALERO CORPUS CHRISTI REFINERY WEST PLANT Classification: AVERAGE Site Rating: 4.54

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	NE0112G
	AIR OPERATING PERMITS	PERMIT	1458
	AIR OPERATING PERMITS	PERMIT	2601
	USED OIL	REGISTRATION	C83139
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30478
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD074604166
	AIR NEW SOURCE PERMITS	PERMIT	38754
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	NE0112G
	AIR NEW SOURCE PERMITS	PERMIT	1507A
	AIR NEW SOURCE PERMITS	PERMIT	10157
	AIR NEW SOURCE PERMITS	PERMIT	10496
	AIR NEW SOURCE PERMITS	PERMIT	10642
	AIR NEW SOURCE PERMITS	PERMIT	10777
	AIR NEW SOURCE PERMITS	PERMIT	12722
	AIR NEW SOURCE PERMITS	PERMIT	12844
	AIR NEW SOURCE PERMITS	PERMIT	16552
	AIR NEW SOURCE PERMITS	PERMIT	20740
	AIR NEW SOURCE PERMITS	PERMIT	20992
	AIR NEW SOURCE PERMITS	PERMIT	23633
	AIR NEW SOURCE PERMITS	PERMIT	29272
	AIR NEW SOURCE PERMITS	PERMIT	33323
	AIR NEW SOURCE PERMITS	PERMIT	36004
	AIR NEW SOURCE PERMITS	PERMIT	37375
	AIR NEW SOURCE PERMITS	PERMIT	39505
	AIR NEW SOURCE PERMITS	PERMIT	46918
	AIR NEW SOURCE PERMITS	PERMIT	49888
	AIR NEW SOURCE PERMITS	PERMIT	55362
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX324M9
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX324M10
	AIR NEW SOURCE PERMITS	PERMIT	55688
	AIR NEW SOURCE PERMITS	AFS NUM	4835500050
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX324M11
	AIR NEW SOURCE PERMITS	REGISTRATION	71034
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX324M8
	AIR NEW SOURCE PERMITS	PERMIT	55294
	AIR NEW SOURCE PERMITS	REGISTRATION	76892
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX324M12
	AIR NEW SOURCE PERMITS	REGISTRATION	77580
	AIR NEW SOURCE PERMITS	REGISTRATION	77944
	AIR NEW SOURCE PERMITS	REGISTRATION	80027
	AIR NEW SOURCE PERMITS	REGISTRATION	81549
	WASTEWATER	PERMIT	WQ0001909000
	WASTEWATER	EPA ID	TPDES0063355
	WASTEWATER	PERMIT	TX0063355
	WASTEWATER LICENSING	LICENSE	WQ0001909000
	STORMWATER	PERMIT	TXR159774
	STORMWATER	PERMIT	TXR05S045
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30478

Location: 5900 UP RIVER RD, CORPUS CHRISTI, TX, 78407 Rating Date: September 01 07 Repeat Violator: NO

TCEQ Region: REGION 14 - CORPUS CHRISTI

Date Compliance History Prepared: September 11, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: September 11, 2002 to September 11, 2007

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? No

3. If Yes, who is the current owner? N/A
 4. If Yes, who was/were the prior owner(s)? N/A
 5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

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

Effective Date: 11/23/2005 COURTOORDER
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)
 Description: Failed to maintain sulfate emissions from the heavy oil cracker (HOC), emission point number (EPN) 121 at levels at or below 58.3 pounds per hour.
 Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.6(a)(1)[G]
 Description: Failure to notify the TNRCC's regional office within 24 hours after the discovery of an upset.
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)[G]
 Description: Failure to meet exemption requirements for upset emissions, resulting in unauthorized emissions.
 Classification: Major
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 116, SubChapter G 116.715(c)(7)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: Emission CAP Limit PERMIT
 Special Condition No. 54 PERMIT
 Description: Failure to comply with General and Special conditions of Permit Nos. 38754 and PSD-TX-324M10. Specifically, unauthorized emissions of hydrogen sulfide, sulfur dioxide, and ammonia released during four emissions events that occurred on September 1, 2004.

Effective Date: 07/13/2007 ADMINORDER 2007-0028-IWD-E
 Classification: Major
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Rqmt Prov: PC(2)(g) PERMIT
 Description: Failure to prevent the unauthorized discharge of slop oil and wastewater to the environment.
 Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)[G]
 Rqmt Prov: RR(7)(a) PERMIT
 Description: Failure to provide notification of the unauthorized discharge of slop oil and wastewater to the environment as required by permit WQ0001909-000.
 Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(19)
 Rqmt Prov: PC(1)(a) PERMIT
 Description: Failure to submit correct facts and information in its Permit Application (renewal) dated May 25, 2004, and failure to notify the Executive Director of the correct facts and information.

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. (CEDS Inv. Track. No.)

- 1 09/17/2002 (192321)
- 2 10/18/2002 (192324)
- 3 11/27/2002 (192328)
- 4 12/16/2002 (192332)
- 5 12/18/2002 (19307)
- 6 01/15/2003 (21238)
- 7 01/23/2003 (192336)
- 8 02/18/2003 (192296)
- 9 03/20/2003 (192299)
- 10 04/18/2003 (192304)
- 11 06/17/2003 (192311)
- 12 06/27/2003 (112784)
- 13 07/14/2003 (134069)
- 14 07/30/2003 (147288)
- 15 08/08/2003 (148546)
- 16 08/11/2003 (192315)
- 17 08/11/2003 (140419)
- 18 08/15/2003 (309927)

19	08/25/2003	(309920)
20	08/26/2003	(152205)
21	08/29/2003	(148055)
22	09/03/2003	(24949)
23	09/03/2003	(151879)
24	09/18/2003	(309929)
25	10/21/2003	(309931)
26	11/20/2003	(309932)
27	12/04/2003	(255428)
28	12/22/2003	(309933)
29	01/23/2004	(309934)
30	02/17/2004	(309914)
31	03/18/2004	(309916)
32	04/23/2004	(309918)
33	04/26/2004	(309917)
34	04/26/2004	(309925)
35	05/18/2004	(309921)
36	06/12/2004	(309923)
37	07/01/2004	(277794)
38	07/01/2004	(270362)
39	08/17/2004	(289440)
40	08/24/2004	(357962)
41	09/16/2004	(357963)
42	09/16/2004	(286828)
43	10/20/2004	(357964)
44	10/20/2004	(357967)
45	10/22/2004	(335486)
46	11/18/2004	(357965)
47	11/23/2004	(341603)
48	12/06/2004	(342954)
49	12/20/2004	(357966)
50	01/24/2005	(347892)
51	02/16/2005	(350569)
52	02/18/2005	(385070)
53	03/07/2005	(373370)
54	03/15/2005	(373594)
55	03/17/2005	(385071)
56	04/01/2005	(376012)
57	04/18/2005	(583161)
58	05/12/2005	(380791)
59	05/18/2005	(380544)
60	05/19/2005	(583164)
61	05/25/2005	(393344)
62	06/16/2005	(395612)
63	06/20/2005	(583167)
64	06/29/2005	(397403)
65	06/29/2005	(397984)
66	06/30/2005	(395371)
67	07/01/2005	(395376)
68	07/20/2005	(583170)
69	07/22/2005	(400525)
70	07/28/2005	(402169)
71	08/13/2005	(404858)
72	08/13/2005	(404652)
73	08/19/2005	(583173)
74	08/19/2005	(405534)
75	08/19/2005	(404027)
76	08/26/2005	(406126)
77	08/29/2005	(406253)
78	08/31/2005	(400938)
79	08/31/2005	(406090)
80	09/19/2005	(583175)
81	09/21/2005	(431540)
82	09/21/2005	(432140)
83	11/18/2005	(583179)
84	12/15/2005	(583177)
85	12/19/2005	(439303)
86	12/21/2005	(583181)
87	01/20/2006	(451440)
88	01/24/2006	(583183)
89	02/01/2006	(435482)
90	02/21/2006	(583157)

91 03/01/2006 (450492)
 92 03/17/2006 (583159)
 93 03/27/2006 (459945)
 94 04/24/2006 (583162)
 95 05/23/2006 (583165)
 96 06/18/2006 (583171)
 97 06/21/2006 (583168)
 98 07/07/2006 (485450)
 99 07/12/2006 (485630)
 100 08/07/2006 (481848)
 101 08/14/2006 (482853)
 102 08/16/2006 (497523)
 103 08/16/2006 (497159)
 104 08/18/2006 (583174)
 105 08/23/2006 (483649)
 106 08/31/2006 (511046)
 107 08/31/2006 (450609)
 108 09/18/2006 (583176)
 109 10/20/2006 (583178)
 110 10/20/2006 (483955)
 111 11/02/2006 (517526)
 112 11/17/2006 (583180)
 113 12/13/2006 (532743)
 114 12/18/2006 (583182)
 115 12/20/2006 (482975)
 116 01/05/2007 (535816)
 117 01/11/2007 (535323)
 118 01/19/2007 (583184)
 119 01/24/2007 (537029)
 120 02/01/2007 (538731)
 121 02/08/2007 (539006)
 122 02/16/2007 (540900)
 123 02/16/2007 (583158)
 124 03/08/2007 (540725)
 125 03/19/2007 (583160)
 126 04/20/2007 (583163)
 127 05/15/2007 (557031)
 128 05/21/2007 (583166)
 129 05/22/2007 (557035)
 130 06/19/2007 (583169)
 131 06/29/2007 (560992)
 132 07/03/2007 (566581)
 133 07/11/2007 (566079)
 134 07/11/2007 (557176)
 135 07/18/2007 (583172)
 136 07/27/2007 (567691)
 137 08/08/2007 (539377)
 138 08/08/2007 (514284)
 139 08/28/2007 (562022)

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

Date: 09/30/2002 (192324)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 10/31/2002 (192328)

Self Report? YES

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 06/27/2003 (112784)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)
 Rqmt Prov: PA Air Permit No. 38754/PSD-TX-324M10

Description: Failure to obtain authorization for air contaminants released during this event.

Date: 08/12/2003 (140419)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)
 Rqmt Prov: PERMIT 38754
 PERMIT PSD-TX324M10

Description: Failure to maintain sulfuric acid emissions from the Heavy Oil Cracker Scrubber exhaust at or below the permitted emission limit.
Date: 08/14/2003 (148546)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: PERMIT TPDES PERMIT NO. 01909
Description: Failure to comply with the effluent limitations as specified in the permit. There shall be no discharge of floating solids or visible foam in other than trace amounts.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: PERMIT TPDES PERMIT NO. 01909
Description: Failure to comply with the effluent flow limitations as specified in the permit.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: PERMIT TPDES PERMIT NO. 01909
Description: Failure to comply with the effluent limitations as specified in the permit.
Date: 12/31/2003 (309934)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 04/30/2004 (309921)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 07/02/2004 (270362)
Self Report? NO Classification: Moderate
Citation: TWC Chapter 26 26.121
Rqmt Prov: PERMIT TPDES Permit No. 01909
Description: Failure to prevent a discharge of wastewater and process area storm water from entering the Corpus Christi Inner Harbor.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)[G]
Rqmt Prov: PERMIT TPDES Permit No. 01909
Description: Failure to submit a written notification of a noncompliance within five working days of becoming aware of the noncompliance. On April 25, 2004, the facility received approximately 6 inches of rainfall in a two hour period which resulted in the discharge of wastewater and process area stormwater.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: PERMIT TPDES Permit No. 01909
Description: Failure to maintain the chlorine residual within the permitted limit of at least 1.0 mg/l. On the morning of May 3, 2004, a grab sample taken from outfall 005 measured 0.001 mg/l.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: PERMIT TPDES Permit No. 01909
Description: Failure to maintain the flow of effluent within the permitted limit at outfall 003. A 2.89 MGD flow was reported for April 25, 2004 due to heavy rainfall in the area. The 24-hour flow limit is 2.79 million gallons (MGD).
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: PERMIT TPDES Permit No. 01909
Description: Failure to meet the effluent limit of 200 mg/l for chemical oxygen demand (COD) at storm water outfall 011. On December 12, 2003, a grab sample taken from outfall 011 measured 404 mg/l of COD.
Date: 08/16/2004 (289440)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
30 TAC Chapter 116, SubChapter B 116.115(c)
Rqmt Prov: PERMIT 38754/PSD-TX-324M11
Description: Failure to prevent visible emissions from two flares (EPNs 127 and 158) as reported on January 23, 2004 in incident 33729 and on March 30, 2004 in incident 37226 respectively.
Date: 05/31/2006 (583167)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 06/30/2006 (583171)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 08/31/2006 (450609)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.146(5)(D)
 Description: Failure to submit an accurate and complete Permit Compliance Certification including or referencing the identification of all terms and conditions of the permit for which compliance was not achieved.

Date: 12/31/2006 (583184)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWQ Chapter 26 26.121(a)[G]
 Description: Failure to meet the limit for one or more permit parameter

Date: 04/23/2007 (557176)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter A 335.4(1)
 Description: Failure to obtain commission authorization prior to an activity of collection, handling, storage, processing, or disposal of industrial solid waste.

Date: 05/15/2007 (557031)
 Self Report? NO Classification: Moderate
 Citation: TWC Chapter 26 26.121
 Rqmt Prov: PERMIT Permit Conditions 2.g.
 Description: Failure to prevent two unauthorized discharges from the wastewater system or through a permitted outfall.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)[G]
 Rqmt Prov: PERMIT Monitoring and Reporting Req., 7.
 Description: Failure to provide notification to the TCEQ in accordance with permit provisions.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Rqmt Prov: PERMIT Effluent Limitations
 Description: Failure to meet permit limitation for Chemical Oxygen Demand (COD) at Outfall 006 on December 7, 2006.

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.124
 Rqmt Prov: PERMIT Permit Conditions, 2.a.
 Description: Failure to sample Outfall 002 weekly when discharge occurs.

Date: 05/31/2007 (583169)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]
 Description: Failure to meet the limit for one or more permit parameter

Date: 07/10/2007 (557176)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)[G]
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT CC 265.1090(f)
 Description: Failure to provide documentation verifying exemption status.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191[G]
 Description: Failure to comply with assessment of existing tank system's integrity.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.194(b)
 Description: Failure to comply with general operating requirements.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.195[G]
 Description: Failure to comply with cathodic protection inspection and schedule.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
VALERO REFINING-TEXAS, L.P.
RN100214386

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2007-1483-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 Valero Refining-Texas, L.P. ("Valero") 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 Valero presented this agreement to the Commission.

Valero 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, Valero 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 Valero.

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

I. FINDINGS OF FACT

1. Valero owns and operates a petroleum refining company at 5900 Up River Road in Corpus Christi, Nueces 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 March 13, 2007, TCEQ staff documented that Valero released the following unauthorized emissions from the Hydrodesulfurization Unit during an avoidable emissions event that began February 27, 2007 and lasted 19 hours and 40 minutes:
 - a. 35,136.47 pounds ("lbs") of sulfur dioxide;
 - b. 613.1 lbs of volatile organic compounds ("VOC"), including 0.15 lbs of the Highly Reactive VOC ("HRVOC") ethylene and 0.24 lbs of the HRVOC trans-2-butene;
 - c. 275.95 lbs of carbon monoxide;
 - d. 381.45 lbs of hydrogen sulfide and 5.67 lbs of ammonia;
 - e. 114.11 lbs of nitrogen oxide; and
 - f. 141.37 lbs of the Hazardous Air Pollutant hexane.
4. Valero received notice of the violations on September 3, 2007.

II. CONCLUSIONS OF LAW

1. Valero is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3.a. through 3.f., Valero failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 38754, Special Condition No. 48. Since this emissions event was avoidable and determined to be excessive, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
3. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Valero 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.
4. An administrative penalty in the amount of Thirty-Four Thousand One Hundred Twenty-Five Dollars (\$34,125) 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. Valero has paid Seventeen Thousand Sixty-Three Dollars (\$17,063) of the administrative penalty. Seventeen Thousand Sixty-Two Dollars (\$17,062) shall be conditionally offset by Valero's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

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

1. Valero is assessed an administrative penalty in the amount of Thirty-Four Thousand One Hundred Twenty-Five Dollars (\$34,125) as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Valero'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: Valero Refining-Texas, L.P., Docket No. 2007-1483-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. Valero shall implement and complete two SEPs in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 4 above, Seventeen Thousand Sixty-Two Dollars (\$17,062) of the assessed administrative penalty shall be offset with the condition that Valero implement the SEPs defined in Attachments A and B, incorporated herein by reference. Valero's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreements.
3. Valero shall undertake the following technical requirements:
 - a. Comply with the TCEQ request dated August 28, 2007 for submittal of a corrective action plan ("CAP") to address the excessive emissions event that occurred February 27, 2007, in accordance with 30 TEX. ADMIN. CODE § 101.223(a)(1);
 - b. Respond completely and adequately, as determined by the executive director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by other deadline specified in writing;
 - c. Upon Commission approval, implement the CAP in accordance with the approved schedule; and
 - d. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions 3.a. through 3.c. as described below:

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

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

The certification shall be submitted to:

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

with a copy to:

Air Section, Manager
Corpus Christi Regional Office
Texas Commission on Environmental Quality
6300 Ocean Drive, Unit 5839
Corpus Christi, Texas 78412-5839

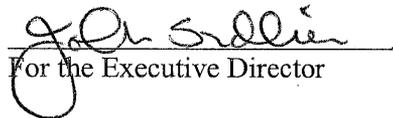
4. The provisions of this Agreed Order shall apply to and be binding upon Valero. Valero is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If Valero fails to comply with any of the Ordering Provisions 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, Valero's failure to comply is not a violation of this Agreed Order. Valero shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Valero shall notify the Executive Director within seven days after Valero 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 Valero shall be made in writing to the Executive Director. Extensions are not effective until Valero receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to Valero if the Executive Director determines that Valero has not complied with one or more of the terms or conditions in this Agreed Order.

8. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
9. This Agreed Order, issued by the Commission, shall not be admissible against Valero in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
10. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

Date 1/11/08

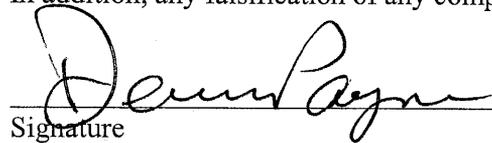
I, the undersigned, have read and understand the attached Agreed Order in the matter of Valero Refining-Texas, L.P. I am authorized to agree to the attached Agreed Order on behalf of Valero Refining-Texas, L.P., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ,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

I understand that by entering into this Agreed Order, Valero Refining-Texas, L.P. 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 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

Date 12/03/07

Dennis Payne
Name (Printed or typed)
Authorized Representative of
Valero Refining-Texas, L.P.

Regional VP - Refinery Operations
Title

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

Attachment A
Docket Number: 2007-1483-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Valero Refining-Texas, L.P.
Payable Penalty Amount: Thirty-Four Thousand One Hundred Twenty-Five Dollars (\$34,125)
SEP Amount: Eight Thousand Five Hundred Thirty-One Dollars (\$8,531)
Type of SEP: Pre-approved
Third-Party Recipient: Texas A&M Corpus Christi-AutoCheck Program
Location of SEP: Nueces County

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

1. Project Description

A. Project

The Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to implement the AutoCheck program. AutoCheck is a remote sensing system that detects polluting vehicles as they drive past the system. Motorists are informed if their vehicles are polluting via a large electronic sign. Once a vehicle is identified, qualified service stations perform repairs on these vehicles. Pre and post emissions tests are performed and tracked, and the service stations are reimbursed for their expenses. The monies shall be used to only pay for the repair vouchers, equipment maintenance, and a program operator. The operator shall only work on the AutoCheck program.

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

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing a direct reduction in air emissions from vehicles in the Corpus Christi Urban Air Shed. This direct area includes Nueces County and part of San Patricio County.

C. Minimum Expenditure

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

2. Performance Schedule

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

Texas A&M University-Corpus Christi
Pollution Prevention Partnership
Attention: Gretchen Arnold
6300 Ocean Drive, NRC #2200
Corpus Christi, Texas 78412

3. Records and Reporting

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

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

4. Failure to Fully Perform

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

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

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

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

5. Publicity

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

6. Clean Texas Program

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

7. Other SEPs by TCEQ or Other Agencies

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

Attachment B
Docket Number: 2007-1483-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Valero Refining-Texas, L.P.
Payable Penalty Amount: Thirty-Four Thousand One Hundred Twenty-Five Dollars (\$34,125)
SEP Amount: Eight Thousand Five Hundred Thirty-One Dollars (\$8,531)
Type of SEP: Pre-approved
Third-Party Recipient: Texas A&M University at Kingsville-South Texas Natives Seed and Plant Restoration Project
Location of SEP: Nueces County

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

1. Project Description

A. Project

The Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to develop adapted native seed sources and techniques for the establishment of native plant species. SEP monies will be used for evaluating selected native grass and forb species, increasing seed production, maintaining fields and harvesting and testing seed from multiple locations.

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

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by establishing the presence of adequate quantities of high quality native plants for South Texas habitat restoration. The use of these high quality native plants by South Texas land owners and nature preserves will increase favored food sources and shelter for wildlife. Additionally, native plants which evolved in the semi-arid region of South Texas will also aid in water conservation because less water is needed to maintain them.

C. Minimum Expenditure

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

2. Performance Schedule

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

Texas A&M University-Kingsville
Attn: Sandra Rexroat
Office of Sponsored Programs MSC 201
700 University Blvd
Kingsville, Texas 78363

3. Records and Reporting

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

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

4. Failure to Fully Perform

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

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

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

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

5. Publicity

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

6. Clean Texas Program

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

7. Other SEPs by TCEQ or Other Agencies

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

