

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-1486-AIR-E **TCEQ ID:** RN102537289 **CASE NO.:** 34605
RESPONDENT NAME: INEOS Polymers Inc.

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: INEOS Polymers, 1230 Battleground Road, La Porte, Harris County</p> <p>TYPE OF OPERATION: Petrochemical 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 January 28, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Harvey Wilson, Enforcement Division, Enforcement Team 3, MC 149, (512) 239-0321; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: C T Corporation System, Registered Agent, INEOS Polymers Inc., 350 North St. Paul Street, Dallas, Texas 75201 Mr. Guy F. Hagen, SHE Manager, INEOS Polymers Inc., 1230 Battleground Road, La Porte, Texas 77571 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 Investigation Relating to this Case: July 5, 2007</p> <p>Date of NOV/NOE Relating to this Case: August 29, 2007 (NOE)</p> <p>Background Facts: This was a record review.</p> <p>AIR</p> <p>Failure to submit the annual compliance certification no later than 30 days after the end of the certification period. Specifically, the annual permit compliance certification covering the period from August 24, 2005 to August 23, 2006 was not submitted [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-02570, General Terms and Conditions].</p>	<p>Total Assessed: \$3,725</p> <p>Total Deferred: \$745 <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: \$2,980</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>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Submit the annual compliance certification for the period of August 24, 2005 to August 23, 2006; and</p> <p>ii. Establish and implement a process which will ensure the annual compliance certification is submitted no later than 30 days after the end of each certification period.</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification of compliance to demonstrate compliance with Ordering Provision a.</p>

Additional ID(s): HX2897U



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

DATES	Assigned	4-Sep-2007	Screening	12-Sep-2007	EPA Due	4-Feb-2008
	PCW	18-Sep-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	INEOS Polymers Inc.		
Reg. Ent. Ref. No.	RN102537289		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	34605	No. of Violations	1
Docket No.	2007-1486-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	Harvey Wilson
Multi-Media		EC's Team	EnforcementTeam 3
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 **Subtotals 2, 3, & 7**

Notes: A 49% enhancement is recommended based on the Respondent having received two Administrative Orders with denial language, two NOVs for a similar violation, and two NOVs for non similar violations during the past five years and having sent three letters notifying TCEQ of intended audits with one disclosure of violation.

Culpability **Subtotal 4**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply **Subtotal 5**

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

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

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

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

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**

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

Notes:

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

DEFERRAL **Adjustment**

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

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 12-Sep-2007

Docket No. 2007-1486-AIR-E

PCW

Respondent INEOS Polymers Inc.

Policy Revision 2 (September 2002)

Case ID No. 34605

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN102537289

Media [Statute] Air

Enf. Coordinator Harvey Wilson

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)	2	10%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	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)	3	-3%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	1	-2%
<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) 49%

>> 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

A 49% enhancement is recommended based on the Respondent having received two Administrative Orders with denial language, two NOVs for a similar violation, and two NOVs for non similar violations during the past five years and having sent three letters notifying TCEQ of intended audits with one disclosure of violation.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 49%

Screening Date 12-Sep-2007	Docket No. 2007-1486-AIR-E	PCW
Respondent INEOS Polymers Inc.	<i>Policy Revision 2 (September 2002)</i>	
Case ID No. 34605	<i>PCW Revision June 26, 2007</i>	
Reg. Ent. Reference No. RN102537289		
Media [Statute] Air		
Enf. Coordinator Harvey Wilson		
Violation Number	1	
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.146(1), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit No. O-02570, General Terms and Conditions	
Violation Description	Failed to submit the annual compliance certification no later than 30 days after the end of the certification period. Specifically, the annual permit compliance certification covering the period from August 24, 2005 to August 23, 2006 was not submitted.	
Base Penalty		\$10,000

>> Environmental, Property and Human Health Matrix

OR	Harm				
	Release	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="0%"/>	

>> Programmatic Matrix

	Falsification				
		Major	Moderate	Minor	
	<input type="text"/>	x	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="25%"/>
Matrix Notes	100% of the rule requirement was not met.				

Adjustment	\$7,500
\$2,500	

Violation Events

Number of Violation Events	1	Number of violation days	365	
<i>mark only one with an x</i>	daily	<input type="text"/>		Violation Base Penalty
	monthly	<input type="text"/>		
	quarterly	<input type="text"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	x		
One single event is recommended.				
Violation Base Penalty		\$2,500		

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount	Violation Final Penalty Total
\$20	\$3,725
This violation Final Assessed Penalty (adjusted for limits)	
\$3,725	

Economic Benefit Worksheet

Respondent INEOS Polymers Inc.
Case ID No. 34605
Reg. Ent. Reference No. RN102537289
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

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)	\$250	23-Sep-2006	1-May-2008	1.6	\$20	n/a	\$20

Notes for DELAYED costs

The estimated cost of preparing and submitting the annual permit compliance certification. The Date Required is the date the certification was required to be submitted. The Final Date is the date of expected compliance.

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

\$250

TOTAL

\$20

Compliance History

Customer/Respondent/Owner-Operator: CN601551427 INEOS Polymers Inc. Classification: AVERAGE Rating: 2.95
 Regulated Entity: RN102537289 INEOS POLYMERS Classification: AVERAGE Site Rating: 2.98

ID Number(s): INDUSTRIAL AND HAZARDOUS WASTE GENERATION SOLID WASTE REGISTRATION # 86927 (SWR)
 INDUSTRIAL AND HAZARDOUS WASTE GENERATION EPA ID TXR000047415
 AIR NEW SOURCE PERMITS ACCOUNT NUMBER HX2897U
 AIR NEW SOURCE PERMITS REGISTRATION 76316
 AIR NEW SOURCE PERMITS REGISTRATION 70777
 AIR NEW SOURCE PERMITS PERMIT 70610
 AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG0065E
 AIR NEW SOURCE PERMITS PERMIT 28351
 AIR NEW SOURCE PERMITS REGISTRATION 78641
 AIR NEW SOURCE PERMITS AFS NUM 4820101545
 AIR OPERATING PERMITS ACCOUNT NUMBER HX2897U
 AIR OPERATING PERMITS PERMIT 2570
 AIR OPERATING PERMITS PERMIT 2570
 AIR OPERATING PERMITS ACCOUNT NUMBER HX2897U

Location: 1230 BATTLEGROUN RD, LA PORTE, TX, 77571 Rating Date: 9/18/2007
 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: September 18, 2007

Agency Decision Requiring Compliance History: Enforcement

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

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

Name: Harvey Wilson Phone: 239-0321

Site Compliance History Components

- | | |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | 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: 12/15/2005 ADMINORDER 2005-0645-AIR-E
 Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)[G]
 5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to obtain regulatory authority or to meet the demonstration requirements of 30 Tex. Admin. Code § 101.222 for emissions from the Polypropylene Unit-Line 3 that occurred on December 5, 2004.

Effective Date: 02/05/2006 ADMINORDER 2005-1213-AIR-E
 Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 116, SubChapter G 116.715(a)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ Flex Air Permit no. 28351, SC2 & 3 PERMIT
 Description: Failure to maintain the polypropylene flare with a flame present on December 31, 2002 which resulted in unauthorized emissions.

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	08/31/2002	(10369)
2	03/26/2004	(250224)
3	04/28/2004	(253265)
4	05/04/2004	(271318)
5	08/11/2004	(287834)
6	08/25/2004	(261065)
7	08/31/2004	(291605)
8	10/11/2004	(333385)
9	10/25/2004	(291783)
10	11/29/2004	(339509)
11	12/20/2004	(339897)
12	12/28/2004	(342455)
13	12/30/2004	(339905)
14	12/30/2004	(339902)
15	01/26/2005	(342575)
16	01/31/2005	(343582)
17	02/28/2005	(350552)
18	03/03/2005	(372363)
19	05/20/2005	(453829)
20	06/30/2005	(278457)
21	07/28/2005	(401773)
22	08/02/2005	(401078)
23	08/23/2005	(404922)
24	08/23/2005	(402001)
25	08/24/2005	(404455)
26	08/29/2005	(377931)
27	09/27/2005	(431713)
28	01/30/2006	(449947)
29	02/22/2006	(455189)
30	02/25/2006	(456982)
31	02/25/2006	(455903)
32	02/27/2006	(457015)
33	02/28/2006	(457157)
34	02/28/2006	(457175)
35	02/28/2006	(457148)
36	04/04/2006	(454464)
37	05/26/2006	(473568)
38	09/01/2006	(511083)
39	03/16/2007	(540344)
40	08/29/2007	(565785)

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

Date: 03/26/2004 (250224)

Self Report? NO

Classification Minor

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT DDD 60.565(k)(4)

Rqmt Prov: PERMIT 28351, Special Condition No. 2

Description: Failure to include flare outages in semi-annual reports.

Self Report? NO

Classification Minor

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(2)(II)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(2)(IV)

Description: Failure to include information on leaking components

Self Report? NO

Classification Minor

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(2)(VII)

Description: Failure to include the facts for delay of repair.

Date: 08/30/2005 (377931)

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 115, SubChapter H 115.783(5)

30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PA Permit 28351. Special Condition 7E
Description: Failed to seal an open-ended line containing highly-reactive volatile organic compounds with a second valve, a blind flange, or a tightly fitting plug or cap
Date: 03/16/2007 (540344)
Self Report? NO Classification Minor
Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)
Description: During the investigation and records review, it was noted that the Notice of Registration, last computer update October 18, 2006, contained inaccuracies that required updates.

Self Report? NO Classification Minor
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(4)(B)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(4)
Description: During the investigation and records review, it was noted that the facility did not provide verification of contingency plan submittal to police, fire departments, hospitals, and local emergency responders.
Date: 08/29/2007 (570889)
Self Report? NO Classification Minor
Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PERMIT 28351, Special Condition No. 7E
OP O-02570, Special Condition No. 10
Description: Failure to ensure that each open-ended line is equipped with a cap or plug.
Self Report? NO Classification Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: OP O-02570, Special Condition No. 1A
Description: Failure to meet the exemption from monthly monitoring for difficult to monitor valves.

Self Report? NO Classification Minor
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(i)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PERMIT 28351, Special Condition No. 3
OP O-02570, Special Condition No. 10
Description: Failure to prevent visible emissions from the PP Flare for one hour on March 28, 2006.
Self Report? NO Classification Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PERMIT 28351, Special Condition No. 4
OP O-02570, Special Condition No. 10
Description: Failure to record the average hourly values of the flow-rate and composition for the PP Flare, between 9:00 a.m. on April 15, 2006 and 11:30 a.m. on April 18, 2006.
Self Report? NO Classification Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PERMIT 28351, Special Condition No. 3
OP O-02570, Special Condition No. 10
Description: Failure to maintain the minimum heating value of the waste gas combusted at the PP Flare at 300 Btu/scf.
Self Report? NO Classification Minor
Citation: 30 TAC Chapter 115, SubChapter H 115.725(d)(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to analyze two daily grab-samples of the waste gas being combusted at the PP Flare when the continuous emissions monitoring system was malfunctioning.

Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: OP O-02570, General Terms and Conditions
Description: Failure to report a deviation from FOP O-02570 that occurred during the deviation period from August 24, 2006 to February 22, 2007.

Self Report? NO

Classification Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.165(a)(7)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to submit a Certification by a Responsible Official to the TCEQ, for FOP O-02570 for the period from August 24, 2005 to February 22, 2006.

F. Environmental audits.

Notice of Intent Date: 04/22/2002 (379190)
Disclosure Date: 10/29/2002

Viol. Classification: Moderate
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV
Description: Failure to adequately monitor valves for leaks

Notice of Intent Date: 04/19/2004 (274461)
No DOV Associated

Notice of Intent Date: 02/24/2005 (374221)
No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
INEOS POLYMERS INC.
RN102537289**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-1486-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 INEOS Polymers Inc. ("INEOS Polymers") 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 INEOS Polymers appear before the Commission and together stipulate that:

1. INEOS Polymers owns and operates a petrochemical plant located at 1230 Battleground Road in La Porte, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and INEOS Polymers agree that the Commission has jurisdiction to enter this Agreed Order, and that INEOS Polymers is subject to the Commission's jurisdiction.
4. INEOS Polymers received notice of the violations alleged in Section II ("Allegations") on or about September 3, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by INEOS Polymers of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Three Thousand Seven Hundred Twenty-Five Dollars (\$3,725) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). INEOS Polymers has paid Two Thousand Nine Hundred Eighty Dollars (\$2,980) of the administrative penalty and Seven Hundred Forty-Five Dollars (\$745) is deferred contingent

upon INEOS Polymers' 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 INEOS Polymers fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require INEOS Polymers 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 INEOS Polymers have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. 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 INEOS Polymers has not complied with one or more of the terms or conditions in this Agreed Order.
10. 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.
11. 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, INEOS Polymers is alleged to have failed to submit the annual compliance certification no later than 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-02570, General Terms and Conditions, as documented during a record review conducted on July 5, 2007. Specifically, the annual permit compliance certification covering the period from August 24, 2005 to August 23, 2006 was not submitted.

III. DENIALS

INEOS Polymers generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that INEOS Polymers pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and INEOS Polymers' 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: INEOS Polymers Inc., Docket No. 2007-1486-AIR-E" to:

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

2. It is further ordered that INEOS Polymers shall undertake the following technical requirements:
- a. Within 30 days after the effective date of this Agreed Order:
 - i. Submit the annual compliance certification for the period of August 24, 2005 to August 23, 2006; and
 - ii. Establish and implement a process which will ensure the annual compliance certification is submitted no later than 30 days after the end of each certification period, in accordance with 30 TEX. ADMIN. CODE § 122.
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification of compliance as described below, and include detailed supporting documentation and/or other records to demonstrate compliance with Ordering Provision No. 2.a.

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

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

The certification shall be submitted to:

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

with a copy to:

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

3. The provisions of this Agreed Order shall apply to and be binding upon INEOS Polymers. INEOS Polymers is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If INEOS Polymers 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, INEOS Polymers' failure to comply is not a violation of this Agreed Order. INEOS Polymers shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. INEOS Polymers shall notify the Executive Director within seven days after INEOS Polymers becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by INEOS Polymers shall be made in writing to the Executive Director. Extensions are not effective until INEOS Polymers receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against INEOS Polymers 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.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to INEOS Polymers, or three days after the date on which the Commission mails notice of the Order to INEOS Polymers, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

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SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

1/29/2008
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

1/16/08
Date

Lori Gualandri
Name (Printed or typed)
Authorized Representative of
INEOS Polymers Inc.

SSE 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.

