

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2008-0240-AIR-E **TCEQ ID:** RN100213693 **CASE NO.:** 35359
RESPONDENT NAME: PYCO Industries, 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: PYCO Industries, 3305 East 50th Street, Lubbock, Lubbock County</p> <p>TYPE OF OPERATION: Cotton seed oil mill</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 June 9, 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: Ms. Gail Kring, President, PYCO Industries, Inc., 2901 Avenue A, Lubbock, Texas 79404 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: December 21, 2007</p> <p>Date of NOE Relating to this Case: January 29, 2008 (NOE)</p> <p>Background Facts: This was a routine record review.</p> <p>AIR</p> <p>1) Failure to timely submit the annual Permit Compliance Certification ("PCC") within thirty days after the end of the certification period. Specifically, the PCC for the period June 6, 2006 through June 5, 2007 was due by July 5, 2007 and was submitted December 6, 2007 [30 TEX. ADMIN. CODE § 122.146(2) and Operating Permit No. O-01075 General Terms and Conditions].</p> <p>2) Failure to submit the first Annual Compliance Certification ("ACC") for the 12 months after the submittal of the Notification of Compliance Status for the cotton seed oil process. In addition, the subsequent ACC was not submitted. Specifically, the ACC for the period November 28, 2005 through November 27, 2006, and the subsequent certification for the period November 28, 2006 through November 27, 2007, were due by December 27, 2006 and December 27, 2007 respectively. The documents were submitted January 25, 2008 [40 CODE OF FEDERAL REGULATIONS § 63.2861(a) and Operating Permit No. O-01075, Special Terms and Conditions No. 5].</p>	<p>Total Assessed: \$5,775</p> <p>Total Deferred: \$1,155 <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: \$4,620</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent submitted the PCC for the period June 6, 2006 through June 5, 2007 on December 6, 2007. The first ACC for the period November 28, 2005 through November 27, 2006, and the subsequent ACC for the period of November 28, 2006 through November 27, 2007, were submitted on January 25, 2008.</p>

Additional ID No(s): LN0411C



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision January 29, 2008

DATES	Assigned	4-Feb-2008	Screening	5-Feb-2008	EPA Due	21-Sep-2008
	PCW	7-Feb-2008				

RESPONDENT/FACILITY INFORMATION			
Respondent	PYCO Industries, Inc.		
Reg. Ent. Ref. No.	RN100213693		
Facility/Site Region	2-Lubbock	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	35359	No. of Violations	2
Docket No.	2008-0240-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	Harvey Wilson
Multi-Media		EC's Team	Enforcement Team 3
Admin. Penalty \$	Limit Minimum	\$0	Maximum
			\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1 \$7,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 2% Enhancement Subtotals 2, 3, & 7 \$150

Notes: An enhancement is recommended because the Respondent received one NOV for a non-similar violation within the past five years.

Culpability No 0% Enhancement Subtotal 4 \$0

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply 25% Reduction Subtotal 5 \$1,875

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

Notes: The Respondent submitted the Permit Compliance Certification on December 6, 2007 and the Annual Compliance Certifications on January 25, 2008.

0% Enhancement* Subtotal 6 \$0

Total EB Amounts	\$16	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$450	

SUM OF SUBTOTALS 1-7 Final Subtotal \$5,775

OTHER FACTORS AS JUSTICE MAY REQUIRE 0% Adjustment \$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount \$5,775

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty \$5,775

DEFERRAL 20% Reduction Adjustment -\$1,155

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 \$4,620

Screening Date 5-Feb-2008

Docket No. 2008-0240-AIR-E

PCW

Respondent PYCO Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 35359

PCW Revision January 29, 2008

Reg. Ent. Reference No. RN100213693

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)	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an Intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 2%

>> **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

An enhancement is recommended because the Respondent received one NOV for a non-similar violation within the past five years.

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

Screening Date	5-Feb-2008	Docket No.	2008-0240-AIR-E	PCW
Respondent	PYCO Industries, Inc.		Policy Revision 2 (September 2002)	
Case ID No.	35359		PCW Revision January 29, 2008	
Reg. Ent. Reference No.	RN100213693			
Media [Statute]	Air			
Enf. Coordinator	Harvey Wilson			

Violation Number	1
Rule Cite(s)	30 Tex. Admin. Code § 122.146(2) and Operating Permit No. O-01075 General Terms and Conditions
Violation Description	Failed to timely submit the annual Permit Compliance Certification ("PCC") within thirty days after the end of the certification period. Specifically, the PCC for the period June 6, 2006 through June 5, 2007 was due by July 5, 2007 and was submitted December 6, 2007.
Base Penalty	\$10,000

>> Environmental, Property and Human Health Matrix

OR	Harm				Percent
	Release	Major	Moderate	Minor	
	Actual				0%
	Potential				
>>Programmatic Matrix					
	Falsification	Major	Moderate	Minor	Percent
		X			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	185
<i>mark only one with an x</i>	daily		Violation Base Penalty
	monthly		
	quarterly		
	semiannual		
	annual		
	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	\$5
Violation Final Penalty Total	\$1,925
This violation Final Assessed Penalty (adjusted for limits)	\$1,925

Economic Benefit Worksheet

Respondent: PYCO Industries, Inc.
 Case ID No. 35359
 Reg. Ent. Reference No. RN100213693
 Media Air
 Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.0	\$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	5-Jul-2007	6-Dec-2007	0.4	\$5	n/a	\$5

Notes for DELAYED costs

The estimated cost of preparing and timely submitting the PCC. Date Required is the date the certification was due. Final Date is the date of compliance.

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

\$250

TOTAL

\$5

Screening Date	5-Feb-2008	Docket No.	2008-0240-AIR-E	PCW
Respondent	PYCO Industries, Inc.		<i>Policy Revision 2 (September 2002)</i>	
Case ID No.	35359	<i>PCW Revision January 29, 2008</i>		
Reg. Ent. Reference No.	RN100213693			
Media [Statute]	Air			
Enf. Coordinator	Harvey Wilson			

Violation Number

Rule Cite(s) 40 Code of Federal Regulations § 63.2861(a) and Operating Permit No. O-01075, Special Terms and Conditions No. 5

Violation Description

Failed to submit the first Annual Compliance Certification ("ACC") for the 12 months after the submittal of the Notification of Compliance Status for the cotton seed oil process. In addition, the subsequent ACC was not submitted. Specifically, the ACC for the period November 28, 2005 through November 27, 2006, and the subsequent certification for the period November 28, 2006 through November 27, 2007, were due by December 27, 2006 and December 27, 2007 respectively. The documents were submitted January 25, 2008.

Base Penalty

>> Environmental, Property and Human Health Matrix

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

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent <input type="text" value="25%"/>
	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>	

Matrix Notes

100% of the rule requirement was not met.

Adjustment

Violation Events

Number of Violation Events **Number of violation days**

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

Violation Base Penalty

Two single events are recommended, one for each late certification.

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 PYCO Industries, Inc.
 Case ID No. 35359
 Reg. Ent. Reference No. RN100213693
 Media Air
 Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$200	27-Dec-2006	25-Jan-2008	1.1	\$11	n/a	\$11
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost of preparing and submitting the ACC. Date Required is the date the first certification was due. Final Date is the date of compliance.

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	\$200	TOTAL	\$11
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Compliance History

Customer/Respondent/Owner-Operator: CN600126973 Pyco Industries, Inc. Classification: AVERAGE Rating: 1.35
 Regulated Entity: RN100213693 PYCO INDUSTRIES Classification: AVERAGE Site Rating: 0.46

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	LN0411C
	AIR OPERATING PERMITS	PERMIT	1075
	AIR NEW SOURCE PERMITS	PERMIT	31813
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	LN0411C
	AIR NEW SOURCE PERMITS	AFS NUM	4830300065
	STORMWATER	PERMIT	TXR05O990

Location: 3305 E 50TH ST, LUBBOCK, TX, 79404 Rating Date: 9/1/2007
 Repeat Violator: NO

TCEQ Region: REGION 02 - LUBBOCK
 Date Compliance History Prepared: February 05, 2008
 Agency Decision Requiring Compliance History: Enforcement
 Compliance Period: February 05, 2003 to February 05, 2008

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.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

- | | | |
|----|------------|----------|
| 1 | 02/26/2003 | (26271) |
| 2 | 09/12/2003 | (120028) |
| 3 | 11/01/2004 | (336130) |
| 4 | 10/18/2005 | (433558) |
| 5 | 02/28/2006 | (455531) |
| 6 | 09/18/2006 | (512365) |
| 7 | 09/18/2006 | (511733) |
| 8 | 09/22/2006 | (513486) |
| 9 | 09/22/2006 | (513662) |
| 10 | 01/16/2007 | (536875) |
| 11 | 01/29/2008 | (612538) |

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

Date: 02/28/2006 (455531)

Self Report? NO Classif Minor

Citation: TWC Chapter 26 26.121

Description: Failure to indicate flow direction away from each exposed potential source of pollution.

Self Report? NO Classif Minor

Citation: TWC Chapter 26 26.039

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
PYCO INDUSTRIES, INC.
RN100213693**

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§
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§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2008-0240-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 PYCO Industries, Inc. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a cotton seed oil mill at 3305 East 50th Street in Lubbock, Lubbock County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about February 3, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Five Thousand Seven Hundred Seventy-Five Dollars (\$5,775) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Four Thousand Six Hundred Twenty Dollars (\$4,620) of the administrative penalty and One Thousand One Hundred Fifty-Five Dollars (\$1,155) is

deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent submitted the Permit Compliance Certification ("PCC") for the period June 6, 2006 through June 5, 2007 on December 6, 2007. The first Annual Compliance Certification ("ACC") for the period November 28, 2005 through November 27, 2006, and the subsequent ACC for the period of November 28, 2006 through November 27, 2007, were submitted on January 25, 2008.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to timely submit the PCC within thirty days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE § 122.146(2) and Operating Permit No. O-01075 General Terms and Conditions, as documented during a record review conducted on December 21, 2007. Specifically, the PCC for the period June 6, 2006 through June 5, 2007 was due by July 5, 2007 and was submitted on December 6, 2007.
2. Failed to submit the Annual Compliance Certification ("ACC") for the 12 months after the submittal of the Notification of Compliance Status for the cotton seed oil process. In addition, the subsequent ACC was not submitted, in violation of 40 CODE OF FEDERAL REGULATIONS § 63.2861(a) and Operating Permit No. O-01075, Special Terms and Conditions No. 5, as documented during a record review conducted on December 21, 2007. Specifically, the ACC for the period November 28, 2005 through November 27, 2006, and the subsequent ACC for the period November 28, 2006 through November 27, 2007, were due by December 27, 2006 and December 27, 2007, respectively. The documents were submitted on January 25, 2008.

III. DENIALS

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

IV. ORDERING PROVISIONS

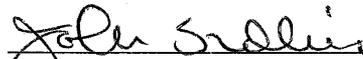
1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: PYCO Industries, Inc., Docket No. 2008-0240-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

5/12/2008
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

3-16-08
Date

GAIL KRING
Name (Printed or typed)
Authorized Representative of
PYCO Industries, Inc.

President
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.

