

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**  
**DOCKET NO.: 2006-0984-AIR-E TCEQ ID: RN100216456 CASE NO.: 30209**  
**RESPONDENT NAME: CENTURION PIPELINE L.P.**

<b>ORDER TYPE:</b>		
<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	
<b>CASE TYPE:</b>		
<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><b>SITE WHERE VIOLATION(S) OCCURRED:</b> 2200 East County Road 90, Midland, Midland County</p> <p><b>TYPE OF OPERATION:</b> A tank farm</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on March 10, 2008. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  TCEQ Attorney: Mr. Justin Lannen, Litigation Division, MC R-4, (817) 588-5927  Ms. Jennifer Cook, Litigation Division, MC 175, (512) 239-1873  TCEQ Enforcement Coordinators: Mr. Bryan Elliott, Air Enforcement Section, MC 149, (512) 239-6162  Ms. Lindsey Jones, Air Enforcement Section, MC 149, (512) 239-4930  TCEQ Regional Contact: Mr. Mike Taylor, Abilene Regional Office, MC R-3, (325) 698-9674  Respondent: Centurion Pipeline L.P., 5 Greenway Plaza, Suite 100, Houston, Texas 77046-7570  Respondent's Attorney: Mr. Matthew Paulson, Baker Botts L.L.P., 1500 San Jacinto Center, 98 San Jacinto Blvd, Austin, Texas 78701-4078</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint  <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" type="checkbox"/> Records Review</p> <p>Date of Complaints Relating to this Case: None</p> <p>Dates of Investigation Relating to this Case:                      May 18, 2006 and March 15, 2007</p> <p>Date of NOEs Relating to this Case:                      June 14, 2006 and March 16, 2007.</p> <p>Background Facts:                      After extended settlement discussions, the parties were able to arrive at a settlement. The Respondent signed and submitted an Agreed Order with the penalty payment of \$7,650 on December 4, 2007.</p> <p>The Respondent in this case does not owe any other penalties according to the Administrative Penalty Database Report.</p> <p><b>AIR</b></p> <p>1. Failed to submit a deviation report for the reporting period of February 1, 2005 through June 12, 2005 [30 TEX. ADMIN. CODE § 122.145(2)(B) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2. Failed to timely submit the annual permit compliance certification for the February 1, 2004 through January 31, 2005 compliance period [30 TEX. ADMIN. CODE § 122.146(2) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>3. Failed to submit a deviation report for the reporting period June 13 through December 12, 2006 [30 TEX. ADMIN. CODE § 122.145(2)(B) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>4. Failed to timely submit the annual permit compliance certification for the June 13, 2005 through June 12, 2006 compliance period [30 TEX. ADMIN. CODE § 122.146(2) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p>Initial Calculated Penalty: \$9,000</p> <p>Total Assessed: \$7,650**</p> <p>Total Deferred: \$0</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$7,650</p> <p>The Respondent has paid the administrative penalty in full.</p> <p>Site Compliance History Classification  <input checked="" type="checkbox"/> High <input 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>**Explanation of Initial Calculated Penalty Reduction: The penalty was reduced in consideration of litigation risk.</p>	<p>Corrective Actions Taken</p> <p>The Executive Director recognizes that the Respondent has taken the following corrective measures:</p> <ol style="list-style-type: none"> <li>Submitted the annual permit compliance certification on August 11, 2005, for the February 1, 2004 through January 31, 2005 compliance period.</li> <li>Submitted a deviation report on July 14, 2006 which covered the deviation reporting period of February 1, 2005 through June 12, 2005 and identified the late annual permit compliance certification submittal for the compliance period noted in Corrective Action No. 1.</li> <li>Submitted the annual permit compliance certification on July 14, 2006, for the June 13, 2005 through June 12, 2006 compliance period.</li> <li>Submitted a deviation report on July 11, 2007 identifying the late annual permit compliance certification submittal for the compliance period noted in Corrective Action No. 3.</li> <li>Implemented training and procedures by July 12, 2007 designed to improve its reporting program and limit recurrence of late reporting for future compliance periods.</li> </ol>



**Penalty Calculation Worksheet (PCW)**  
 Policy Revision 2 (September 2002) PCW Revision May 19, 2005

**DATES** Assigned PCW: 20-Jun-2006 / 06-Feb-2007 Screening: 30-Jun-2006 EPA Due: 11-Mar-2007

**RESPONDENT/FACILITY INFORMATION**  
 Respondent: Centurion Pipeline L.P.  
 Reg. Ent. Ref. No.: RN100216456  
 Facility/Site Region: 7-Midland Major/Minor Source: Major Source

**CASE INFORMATION**  
 Enf./Case ID No.: 30209 No. of Violations: 2  
 Docket No.: 2006-0984-AIR-E Order Type: 1660  
 Media Program(s): Air Quality Enf. Coordinator: Bryan Elliott  
 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: \$5,000

**ADJUSTMENTS (+/-) TO SUBTOTAL 1**  
 Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.  
**Compliance History** 0% Enhancement Subtotals 2, 3, & 7: \$0  
 Notes: No enhancement due to average performer classification.

**Culpability** No 0% Enhancement Subtotal 4: \$0  
 Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply** 10% Reduction Subtotal 5: -\$500  
 Before NOV: [ ] NOV to EDPRP/Settlement Offer: [ ]  
 Extraordinary: [ ] Ordinary: [X] N/A: [ ] (mark with a small x)  
 Notes: The Respondent came into compliance by July 14, 2006.

**Economic Benefit** 0% Enhancement\* Subtotal 6: \$0  
 \*Capped at the Total EB \$ Amount  
 Total EB Amounts: \$32  
 Approx. Cost of Compliance: \$800

**SUM OF SUBTOTALS 1-7** Final Subtotal: \$4,500

**OTHER FACTORS AS JUSTICE MAY REQUIRE** Adjustment: \$0  
 Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)  
 Notes: [ ] Final Penalty Amount: \$4,500

**STATUTORY LIMIT ADJUSTMENT** Final Assessed Penalty: \$4,500

**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 offered for non-expedited settlement.

**PAYABLE PENALTY** \$4,500

"A"

Screening Date 30-Jun-2006

Docket No. 2006-0984-AIR-E

PCW

Respondent Centurion Pipeline L.P.

Policy Revision 2 (September 2002)

Case ID No. 30209

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN100216456

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

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	0	0%
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 judgments 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 disclosed)	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%
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) 0%

>> 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

No enhancement due to average performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

Screening Date 30-Jun-2006

Docket No. 2006-0984-AIR-E

PCW

Respondent Centurion Pipeline L.P.

Policy Revision 2 (September 2002)

Case ID No. 30209

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN100216456

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number

1

Primary Rule Cite(s)

30 Tex. Admin. Code § 122.145(2)(B)

Secondary Rule Cite(s)

Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit a deviation report for the following reporting period:  
February 1, 2005 through June 12, 2005.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 25%

Matrix Notes

Respondent failed to comply with 100% of the rule requirement.

Adjustment -\$7,500

Base Penalty Subtotal \$2,500

Violation Events

Number of Violation Events 1

mark only one. use a small x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
single event	X	

Violation Base Penalty \$2,500

One single event is recommended based on the one reporting period.

Economic Benefit (EB) for this violation

Estimated EB Amount \$28

Statutory Limit Test

Violation Final Penalty Total \$2,250

This violation Final Assessed Penalty (adjusted for limits) \$2,250

### Economic Benefit Worksheet

Respondent Centurion Pipeline L.P.  
 Case ID No. 30209  
 Reg. Ent. Reference No. RN100216456  
 Media [Statute] Air Quality  
 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
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	\$600	13-Aug-2005	14-Jul-2006	0.9	\$28	n/a	\$28
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: The estimated cost to submit each deviation report. Date required is the date the first deviation report was due. Final date is the date the report was submitted.

Item	ANNUALIZE [1] avoided costs before entering Item (except for one-time avoided costs)	Yrs	Interest Saved	Onetime Costs	EB Amount
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 \$600 TOTAL \$28

Screening Date 30-Jun-2006

Docket No. 2006-0984-AIR-E

PCW

Respondent Centurion Pipeline L.P.

Policy Revision 2 (September 2002)

Case ID No. 30209

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN100216456

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number

2

Primary Rule Cite(s)

30 Tex. Admin. Code § 122.146(2)

Secondary Rule Cite(s)

Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to timely submit the annual permit compliance certification. Specifically, the annual compliance certification was submitted 162 days late.

Base Penalty

\$10,000

>> Environmental, Property and Human Health Matrix

Harm

Release	Major	Moderate	Minor
Actual			
Potential			

Percent

OR

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent

25%

Matrix Notes

Respondent failed to comply with 100% of the rule requirement.

Adjustment

-\$7,500

Base Penalty Subtotal

\$2,500

Violation Events

Number of Violation Events

1

mark only one use a small x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
single event	X	

Violation Base Penalty

\$2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

\$4

Violation Final Penalty Total

\$2,250

This violation Final Assessed Penalty (adjusted for limits)

\$2,250

### Economic Benefit Worksheet

Respondent Centurion Pipeline L.P.  
 Case ID No. 30209  
 Reg. Ent. Reference No. RN100216456  
 Media [Statute] Air Quality  
 Violation No. 2

Percent Interest 5.0  
 Years of Depreciation EB 15

Item Description	Item Cost No commas or \$	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<b>Delayed Costs</b>							
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	\$200	02-Mar-2005	11-Aug-2005	0.4	\$4	n/a	\$4
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	The estimated cost to certify compliance in a timely manner. Date required is the date the certification was due. Final date is the date the certification was submitted.						

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

TOTAL



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision March 19, 2007

TCEQ  
DATES

Assigned 19-Mar-2007  
PCW 23-Mar-2007 Screening 23-Mar-2007 EPA Due

## RESPONDENT/FACILITY INFORMATION

Respondent Centurion Pipeline L.P.  
Reg. Ent. Ref. No. RN100216456  
Facility/Site Region 7-Midland Major/Minor Source Major

## CASE INFORMATION

Enf./Case ID No. 30209 No. of Violations 2  
Docket No. 2006-0984-AIR-E Order Type 1660  
Media Program(s) Air Enf. Coordinator Lindsey Jones  
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 \$5,000

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 0% Enhancement Subtotals 2, 3, & 7 \$0

Notes No enhancement due to average performer classification.

Culpability No 0% Enhancement Subtotal 4 \$0

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply 10% Reduction Subtotal 5 \$500

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

Notes The Respondent returned to compliance by July 12, 2007.

Total EB Amounts \$6  
Approx. Cost of Compliance \$500  
0% Enhancement  
\*Capped at the Total EB \$ Amount  
Subtotal 6 \$0

SUM OF SUBTOTALS 1-7 Final Subtotal \$4,500

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment \$0

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

Notes

Final Penalty Amount \$4,500

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty \$4,500

DEFERRAL 0% Reduction Adjustment \$0

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

Notes Deferral not offered for non-expedited settlement.

PAYABLE PENALTY \$4,500

Screening Date 25-Mar-2007

Docket No. 2006-0984-AIR-E

PCW

Respondent Centurion Pipeline L.P.

Case ID No. 30209

Reg. Ent. Reference No. RN100216456

Media [Statute] Air

Enf. Coordinator Lindsey Jones

PCW Revision- March 18, 2007

### 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	0	0%
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%

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)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

No enhancement due to average performer classification.

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

Screening Date 23-Mar-2007  
Respondent Centurion Pipeline L.P.  
Case ID No. 30209

Docket No. 2006-0984-AIR-E

PCW  
Policy Revision 7 (September 2002)  
PCW Revision March 19, 2007

Reg. Ent. Reference No. RN100216456  
Media [Statute] Air  
Enf. Coordinator Lindsey Jones

Violation Number

Rule Cite(s) 30 Tex. Admin. Code § 122.146(2) and Tex. Health and Safety Code § 382.085(b)

Violation Description Failed to timely submit the annual Permit Compliance Certification (PCC) report for the June 13, 2005 through June 12, 2006 compliance period. Specifically, the report was due no later than July 12, 2006, but was not submitted until July 14, 2006.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR

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

>> Programmatic Matrix

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

Matrix Notes

100% of the rule requirement was not met.

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 type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="text" value="x"/>

Violation Base Penalty

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

## Economic Benefit Worksheet

Respondent Centurion Pipeline L.P.  
 Case ID No. 30209  
 Reg. Ent. Reference No. RN100216456  
 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
<i>No commas or \$</i>							
<b>Delayed Costs</b>							
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	\$250	12-Jul-2006	14-Jul-2006	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: Estimated cost for preparation and timely submittal of permit compliance certification ("PCC"). Date Required is the date the report should have been submitted and Final Date is the date the PCC was submitted.

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 \$0

Screening Date 23-Mar-2007  
Respondent Centurion Pipeline L.P.  
Case ID No. 30209

Docket No. 2006-0984-AIR-E

PCW

Policy Revision 2 (September 2002)  
PCW Revision March 19, 2007

Reg. Ent. Reference No. RN100216456  
Media [Statute] Air  
Enf. Coordinator Lindsey Jones

Violation Number

Rule Cite(s) 30 Tex. Admin. Code § 122.145(2)(B) and Tex. Health and Safety Code § 382.085(b)

Violation Description Failed to submit the semi-annual deviation report for the June 13 through December 12, 2006 reporting period. Specifically, the deviation report was due no later than January 12, 2007, and was not submitted until July 11, 2007.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>

Percent

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Percent

Matrix Notes

100% of the rule requirement was not met.

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 type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="checkbox"/>

Violation Base Penalty

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

## Economic Benefit Worksheet

Respondent Centurion Pipeline L.P.  
 Case ID No. 30209  
 Reg. Ent. Reference No. RN100216456  
 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
<i>No commas or \$</i>							
<b>Delayed Costs</b>							
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	\$250	12-Jan-2007	12-Jul-2007	0.5	\$6	n/a	\$6
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: Estimated cost for preparation and timely submittal of semi-annual deviation report. Date Required is the date the report should have been submitted and Final Date is the date the Respondent returned to compliance.

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<b>ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)</b>							
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 \$6

## Compliance History

Customer/Respondent/Owner-Operator:	CN602700171 Centurion Pipeline L.P.	Classification: AVERAGE	Rating: 2.60
Regulated Entity	RM100210456 MIDLAND TANK FARM	Classification: HIGH	Site Rating: 0.00
Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	ML0002E
	AIR OPERATING PERMITS	PERMIT	2703
	AIR OPERATING PERMITS	ACCOUNT NUMBER	ML0002E
	AIR OPERATING PERMITS	PERMIT	2703
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	ML0002E
	AIR NEW SOURCE PERMITS	PERMIT	73417
	AIR NEW SOURCE PERMITS	PERMIT	73278
	AIR NEW SOURCE PERMITS	AFS NUM	0032
Location:	2200 E COUNTY ROAD 90, MIDLAND, TX, 79706	Rating Date: September 01 05	Repeat Violator:
EQ Region:	REGION 07 - MIDLAND		NO
Date Compliance History Prepared:	August 01, 2006		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	June 21, 2001 to June 21, 2006		
EQ Staff Member to Contact for Additional Information Regarding this Compliance History			
Name:	Bryan Elliott	Phone:	239-6162

### Site Compliance History Components

-Has the site been in existence and/or operation for the full five year compliance period? Yes

-Has there been a (known) change in ownership of the site during the compliance period? Yes

If Yes, who is the current owner? Centurion Pipeline, L.P.

If Yes, who was/were the prior owner(s)? Mobil Pipe Line Company  
Trojan Pipeline, L.P.

When did the change(s) in ownership occur? 02/01/2004  
08/01/2004

### Components (Multimedia) for the Site :

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

N/A

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

N/A

Chronic excessive emissions events.

N/A

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

1	06/14/2006	(463147)
2	07/01/2004	(278781)
3	11/30/2001	(108160)
4	11/30/2001	(89243)
5	04/22/2003	(31520)

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

N/A

Environmental audits.

N/A

Type of environmental management systems (EMSS).

N/A

Voluntary on-site compliance assessment dates.

N/A

Participation in a voluntary pollution reduction program.

N/A

Early compliance.

N/A

as Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
CENTURION PIPELINE L.P.,  
RN100216456

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

AGREED ORDER  
DOCKET NO. 2006-0984-AIR-E

I. JURISDICTION AND STIPULATIONS

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Centurion Pipeline L.P. ("Centurion") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and Centurion, represented by Matthew Paulson of the law firm of Baker Botts L.L.P., appear before the Commission and together stipulate that:

1. Centurion owns and operates a tank farm located at 2200 East County Road 90, Midland, Midland County, Texas (the "Plant").
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. The Commission and Centurion agree that the Commission has jurisdiction to enter this Agreed Order, and that Centurion is subject to the Commission's jurisdiction.
4. Centurion received notice of the violations alleged in Section II ("Allegations") on or about June 19, 2006 and March 21, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Centurion of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of seven thousand six hundred fifty dollars (\$7,650.00) is assessed by the Commission in settlement of the violations alleged in Section

II ("Allegations"). Centurion has paid seven thousand six hundred fifty dollars (\$7,650.00) of the administrative 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 Centurion 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 Centurion has taken the following corrective measures:
  - a. Submitted the annual permit compliance certification on August 11, 2005, for the February 1, 2004 through January 31, 2005 compliance period.
  - b. Submitted a deviation report on July 14, 2006 which covered the deviation reporting period of February 1, 2005 through June 12, 2005 and identified the late annual permit compliance certification submittal for the compliance period noted in paragraph 9.a.
  - c. Submitted the annual permit compliance certification on July 14, 2006, for the June 13, 2005 through June 12, 2006 compliance period.
  - d. Submitted a deviation report on July 11, 2007 identifying the late annual permit compliance certification submittal for the compliance period noted in paragraph 9.c.
  - e. Implemented training and procedures by July 12, 2007 designed to improve its reporting program and limit recurrence of late reporting for future compliance periods.
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 Centurion 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

Centurion is alleged to have violated:

1. 30 TEX. ADMIN. CODE § 122.145(2)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b) by failing to submit a deviation report for the reporting period of February 1, 2005 through June 12, 2005, as documented during the May 18, 2006 investigation.
2. 30 TEX. ADMIN. CODE § 122.146(2) and TEX. HEALTH & SAFETY CODE § 382.085(b) by failing to timely submit the annual permit compliance certification for the February 1, 2004 through January 31, 2005 compliance period, as documented during the May 18, 2006 investigation.
3. 30 TEX. ADMIN. CODE § 122.145(2)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b) by failing to submit a deviation report for the reporting period June 13 through December 12, 2006, as documented during the March 15, 2007 investigation.
4. 30 TEX. ADMIN. CODE § 122.146(2) and TEX. HEALTH & SAFETY CODE § 382.085(b) by failing to timely submit the annual permit compliance certification for the June 13, 2005 through June 12, 2006 compliance period, as documented during the March 15, 2007 investigation.

## III. DENIALS

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

## IV. ORDER

1. It is, therefore, ordered by the TCEQ that Centurion pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Centurion'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 considering or requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: Centurion Pipeline L.P., Docket No. 2006-0984-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 Centurion.
3. This Agreed Order, issued by the Commission, shall not be admissible against Centurion 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) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of the Order to Centurion, or three days after the date on which the Commission mails notice of the Order to Centurion, 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

Robert von Perdue

For the Executive Director

2/27/08

Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, 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 my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

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

Wm. R. Von Drehtle

Signature

12-4-07

Date

Wm. R. Von Drehtle

Name (Printed or typed)

Director HES/Reg/Compliance

Title

Authorized representative of  
Centurion Pipeline L.P.