

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-1853-AIR-E **TCEQ ID:** RN100238799 **CASE NO.:** 34969
RESPONDENT NAME: Citgo Refining and Chemicals Company L.P.

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: Citgo Corpus Christi Refinery – West Plant, 7350 Highway 37, Corpus Christi, Nueces County</p> <p>TYPE OF OPERATION: Petroleum refinery</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are two additional pending enforcement actions regarding this facility location, Docket Nos. 2002-0290-AIR-E and 2004-1279-AIR-E.</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: Ms. Audra L. Ruble, Enforcement Division, Enforcement Team 4, MC R-14, (361) 825-3126; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Mark Cheesman, Manager of Environmental Affairs, Citgo Refining and Chemicals Company L.P., 1802 Nueces Bay Boulevard, Corpus Christi, Texas 78407 Mr. Eduardo Assef, V.P. Corpus Christi Refinery, Citgo Refining and Chemicals Company L.P., 1802 Nueces Bay Boulevard, Corpus Christi, Texas 78407 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: August 21, 2007</p> <p>Date of NOE Relating to this Case: October 17, 2007 (NOE)</p> <p>Background Facts: This was a routine record review.</p> <p>AIR</p> <p>Failure to prevent an unauthorized emissions event that occurred on April 26-27, 2007. Specifically, approximately 498 pounds ("lbs") of volatile organic compounds, 183 lbs of carbon-monoxide, 35 lbs of nitrogen oxide, and 689 lbs of sulfur dioxide were released from the Emergency Flare (EPN 573-ME1) during the 5 hour 30 minute event. Since the emissions event was avoidable, it does not meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222(b)(1-11) [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), Air Permit Nos. 8778A and PSD-TX-408M3, Special Condition 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$2,425</p> <p>Total Deferred: \$485 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$1,940</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 correspondence on September 12, 2007 indicating that the following corrective measures have been implemented at the Plant:</p> <p>a) An internal investigation was conducted to determine the cause of the emissions event;</p> <p>b) Training was provided to Coker console supervisors to prevent reoccurrence; and</p> <p>c) Procedures were modified to require operators to check the level indicator sight glass.</p>

Additional ID No(s): Air Account No. NE0192F



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision November 6, 2007

DATES	Assigned	22-Oct-2007	Screening	14-Nov-2007	EPA Due	27-Aug-2008
	PCW	14-Nov-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	Citgo Refining and Chemicals Company L.P.		
Reg. Ent. Ref. No.	RN100238799		
Facility/Site Region	14-Corpus Christi	Major/Minor Source	Major

CASE INFORMATION				
Enf./Case ID No.	34969	No. of Violations	1	
Docket No.	2007-1853-AIR-E	Order Type	1660	
Media Program(s)	Air	Enf. Coordinator	Audra L. Ruble	
Multi-Media		EC's Team	Enforcement Team 4	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History Enhancement **Subtotals 2, 3, & 7**

Notes: The penalty was enhanced for one 1660 Agreed Order and three NOV's for non-similar violations, and the penalty was reduced for two Notices of Audit and one Disclosure of Violations.

Culpability Enhancement **Subtotal 4**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Reduction **Subtotal 5**

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

Notes: The Respondent demonstrated compliance on September 12, 2007.

Total EB Amounts **0% Enhancement*** **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.

Notes:

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

DEFERRAL Reduction **Adjustment**

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

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 14-Nov-2007

Docket No. 2007-1853-AJR-E

PCW

Respondent Citgo Refining and Chemicals Company L.P.

Policy Revision 2 (September 2002)

Case ID No. 34969

PCW Revision November 6, 2007

Reg. Ent. Reference No. RN100238799

Media [Statute] Air

Enf. Coordinator Audra L. Ruble

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 (<i>number of NOV's meeting criteria</i>)	0	0%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	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 (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	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 (<i>number of audits for which notices were submitted</i>)	2	-2%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	1	-2%

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) 22%

>> **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

The penalty was enhanced for one 1660 Agreed Order and three NOV's for non-similar violations, and the penalty was reduced for two Notices of Audit and one Disclosure of Violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 22%

Screening Date 14-Nov-2007 **Docket No.** 2007-1853-AIR-E **PCW**
Respondent Citgo Refining and Chemicals Company L.P. *Policy Revision 2 (September 2002)*
Case ID No. 34969 *PCW Revision November 6, 2007*
Reg. Ent. Reference No. RN100238799
Media [Statute] Air
Enf. Coordinator Audra L. Ruble

Violation Number
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3) and 116.115(c); Air Permit Nos. 8778A and PSD-TX 408M3, Special Condition 1; and Tex. Health & Safety Code § 382.085(b)
Violation Description
 Failed to prevent an unauthorized emissions event that occurred on April 26-27, 2007, as documented during a record review conducted on August 21, 2007. Specifically, approximately 498 pounds ("lbs") of volatile organic compounds, 183 lbs of carbon monoxide, 35 lbs of nitrogen oxide, and 689 lbs of sulfur dioxide were released from the Emergency Flare (EPN 573-ME1) during the 5 hour 30 minute event. Since the emissions event was avoidable, it does not meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222(b)(1-11).

Base Penalty

>> Environmental, Property and Human Health Matrix

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

>> Programmatic Matrix

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

Matrix Notes
 The emissions event resulted in the release of an insignificant amount of pollutants which do not exceed levels protective of human health and/or the environment.

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

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

Violation Base Penalty

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Citgo Refining and Chemicals Company L.P.
Case ID No. 34969
Reg. Ent. Reference No. RN100238799
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15
Onetime Costs	EB Amount

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved
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)	\$1,500	26-Apr-2007	12-Sep-2007	0.4	\$29	n/a	\$29

Notes for DELAYED costs

Estimated cost to repair equipment and to implement procedures to prevent recurrence. Date required is the date of the emissions event and final date is when compliance was achieved.

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

\$1,500

TOTAL

\$29

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201
30 TAC Chapter 101, SubChapter F 101.211
5C THG Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit notifications of upset emissions in a timely manner; to provide proper notification for maintenance events; and to maintain complete records regarding emission events.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 101, SubChapter A 101.27(a)
30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
30 TAC Chapter 116, SubChapter B 116.110(a)
30 TAC Chapter 116, SubChapter B 116.116(a)
40 CFR Chapter 52, SubChapter C, PT 52, SubPT A 52.21

Rqmt Prov: 8778A, SC Nos. 15 and 27 PERMIT

Description: Failed to obtain appropriate regulatory authority for sour water and acid gas flares as installed and operated at the East and West Plants and to pay emissions fees or maintain flare logs for these flares.

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121
30 TAC Chapter 319, SubChapter A 319.11
30 TAC Chapter 319, SubChapter A 319.7

Rqmt Prov: Pg 6 MR 3c PERMIT

Description: Failure to comply with TPDES permits, including failure to properly operate process wastewater and stormwater collection systems, limit effluent characteristics, use proper sample collection & storage procedures, to record all required information for storm water collection, to record QA/QC data for pH & Cl.

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	01/30/2003	(22328)
2	04/30/2003	(26144)
3	07/25/2003	(114318)
4	03/01/2004	(264386)
5	03/01/2004	(264366)
6	03/27/2004	(283425)
7	06/29/2004	(277187)
8	08/31/2004	(290432)
9	09/29/2004	(250617)
10	09/29/2004	(250527)
11	10/20/2004	(337503)
12	03/24/2005	(374535)
13	05/05/2005	(535305)
14	06/20/2005	(395017)
15	07/15/2005	(399326)
16	07/20/2005	(400391)
17	08/30/2005	(407275)
18	03/08/2006	(535285)
19	03/09/2006	(535289)
20	03/23/2006	(449808)
21	07/12/2006	(486344)
22	07/21/2006	(486970)
23	08/24/2006	(489178)
24	08/31/2006	(509336)
25	10/12/2006	(514156)
26	10/12/2006	(513606)
27	10/16/2006	(467278)
28	10/18/2006	(515700)
29	05/25/2007	(561849)
30	07/16/2007	(563337)
31	08/13/2007	(566603)
32	08/17/2007	(565598)
33	08/30/2007	(568343)
34	09/14/2007	(567805)

35 10/17/2007 (596345)
36 10/17/2007 (573032)

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

Date: 02/07/2006 (449808)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(3)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(3)
Description: Failure to label a hazardous waste tank.
Date: 08/24/2006 (489178)
Self Report? NO Classification: Moderate
Citation: TWC Chapter 26 26.121(a)(1)
Rqmt Prov: PERMIT TPDES Permit No. WQ0000467-002
Description: Failure to prevent the discharge of 19,026 gallons (453 barrels) of untreated wastewater to the Corpus Christi Inner Harbor.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: PERMIT TPDES Permit No. WQ0000467-002
Description: Failure to meet effluent grab limits for Oil and Grease at the West Plant wastewater treatment facility.
Date: 08/31/2006 (509336)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
Description: Failure to demonstrate that observations of visible emissions from nine heater stacks were conducted at least once during each calendar quarter for the following three quarters: June 16, 2005 to September 15, 2005; September 16, 2005 to December 15, 2005; and December 16, 2005 to March 15, 2006.

F. Environmental audits.

Notice of Intent Date: 07/07/2004 (334338)
No DOV Associated

Notice of Intent Date: 06/02/2005 (403345)
Disclosure Date: 12/01/2005
Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H
Description: Failed to control 21 open-ended lines by cap, plug, blind or double block valves.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H
Description: Failure to maintain records of weekly visual inspections documenting inspection of non-leaking pumps.
Viol. Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter D
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H
Description: Failure to properly complete DOR forms.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H
Description: Failure to submit monitoring reports on time and reports did not contain all information required by the regulations.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H
Description: Failure to tag components in the Plat 5 unit.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter B
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H
Description: The 5 to 15 day report submitted in July 2005 generated by the fugitive software had inaccurate or not probable dates that reported excessive deviations.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H
Description: Failure to identify compressor leaks in the semi-annual report of 2004 MACT or HON units
Viol. Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B

Description: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV
Failure to include complete downtime information in several MACT reports. January 2005 West Plant report does not include any downtime information.

Viol. Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H

Description: Failure to include reason for delay of repair on the 2004 HON and MACT semiannual reports.

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
CITGO REFINING AND CHEMICALS
COMPANY L.P.
RN100238799

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BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2007-1853-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 Citgo Refining and Chemicals Company L.P. ("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 petroleum refinery located at 7350 Highway 37 in Corpus Christi, Nueces County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. 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 October 22, 2007.
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 Two Thousand Four Hundred Twenty-Five Dollars (\$2,425) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Thousand Nine Hundred Forty Dollars (\$1,940) of

the administrative penalty and Four Hundred Eighty-Five Dollars (\$485) 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 correspondence on September 12, 2007 indicating that the following corrective measures have been implemented at the Plant:
 - a. An internal investigation was conducted to determine the cause of the emissions event;
 - b. Training was provided to Coker console supervisors to prevent reoccurrence; and
 - c. Procedures were modified to require operators to check the level indicator sight glass.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to prevent an unauthorized emissions event that occurred on April 26-27, 2007, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c); Air Permit Nos. 8778A and PSD-TX-408M3, Special Condition 1; and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on August 21, 2007. Specifically, approximately 498 pounds ("lbs") of volatile organic compounds, 183 lbs of carbon monoxide, 35 lbs of nitrogen oxide, and 689 lbs of sulfur dioxide were released from the Emergency Flare (EPN 573-ME1) during the 5 hour 30 minute event. Since the emissions event was avoidable, it does not meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222(b)(1-11).

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: Citgo Refining and Chemicals Company L.P., Docket No. 2007-1853-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

5/11/2008

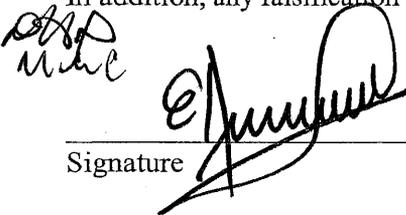
Date

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

03/19/08

Date

Eduardo Assef

Name (Printed or typed)
Authorized Representative of
Citgo Refining and Chemicals Company L.P.

V.P. Corpus Christi Refinery

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.

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