

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-0286-AIR-E TCEQ ID: RN100825249 CASE NO.: 32774
RESPONDENT NAME: CHEVRON PHILLIPS CHEMICAL COMPANY LP

ORDER TYPE:

<input checked="" type="checkbox"/> X1660 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"/> IMMEDIATE 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

SITE WHERE VIOLATION(S) OCCURRED: 21689 Highway 35, Old Ocean, Brazoria County

TYPE OF OPERATION: Chemical manufacturing plant

SMALL BUSINESS: Yes No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is one additional pending enforcement action regarding this facility location, Docket No. 2008-1262-AIR-E.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on October 13, 2008. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney: Ms. Laurencia Fasoyiro, Litigation Division, MC 175, (713) 422-8914
 Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-0019
SEP Coordinator: Ms. Sharon Blue, Litigation Division, MC 175, (512) 239-2223
TCEQ Enforcement Coordinator: Ms. Kimberly Morales, Air Enforcement Section, MC R-12, (713) 422-8938
TCEQ Regional Contact: Ms. Linda Vasse, Houston Regional Office, MC R-12, (713) 767-3637
Respondent: Mr. David Speaker, Senior Counsel, Environmental, Chevron Phillips Chemical Company, LP, 10001 Six Pines Drive, The Woodlands, TX 77387-4910
Respondent's Attorney: Ms. Gindi Eckel Vincent, Pillsbury Winthrop Shaw Pittman LLP, 909 Fannin, 21st Floor, Houston, TX 77010

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: None</p> <p>Dates of Investigation Relating to this Case: June 5, 2006; December 28, 2006; January 5, 2007</p> <p>Dates of NOEs Relating to this Case: August 23, 2006 and February 10, 2007</p> <p>Background Facts: The Agreed Order was mailed to the Respondent on July 17, 2008. The Respondent signed the Agreed order on July 25, 2008.</p> <p>Current Compliance Status: There are no outstanding Technical Requirements.</p> <p>AIR:</p> <p>1. Failed to create a final record for a non-reportable emissions event, within two weeks after the end of the emissions event, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE §§ 101.201(b) and 122.143(4), Air Permit No. O-02151, Special Condition No. 2F, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2. Failed to conduct leak detection and repair monitoring in accordance with 40 CODE OF FEDERAL REGULATIONS (CFR) Part 60, Appendix A, Method 21, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE §§ 115.355(1) and 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, 40 CFR § 60.485(b), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>3. Failed to adequately identify leaking components site wide from October 4, 2005, to October 20, 2005, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE §§ 115.782(a), 115.352(3), 116.715(a) and 122.143(4), Air Permit No. O-02151, Special Condition Nos. 1A and 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition 14H, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Initial Calculated Penalty: \$201,984</p> <p>Total Assessed: \$168,416*</p> <p>Total Deferred: \$84,208</p> <p><input type="checkbox"/> Expedited Order <input type="checkbox"/> Financial Inability to Pay <input checked="" type="checkbox"/> SEP Conditional Offset</p> <p>Total Paid to General Revenue: \$84,208</p> <p>The Respondent has paid \$84,208 of the administrative penalty. The remainder of \$84,208 shall be conditionally offset by the Respondent's completion of a Supplement Environment Project (SEP).</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 1, 2002</p> <p>*Explanation for Reduction in Penalty: The penalty was reduced in consideration of litigation risk.</p>	<p>Ordering Provisions:</p> <p>The Respondent shall implement and complete a SEP, as described in Attachment A of the Agreed Order.</p> <p>Corrective Action(s) Taken:</p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures:</p> <ol style="list-style-type: none"> As indicated in compliance documentation dated July 14, 2008, a comprehensive stream inclusion audit was initiated in 2006, to ensure that all components required to be under the leak detection and repair ("LDAR") program are correctly identified, monitored, maintained, repaired, and recorded as required. As of April 28, 2006, select operations personnel now receive a weekly report listing events for which data is needed to comply with the 14-day limit for providing calculations and root cause for recordable emissions events. On December 4, 2005, conducted operator and contractor training to ensure that the leak detection and repair monitoring is conducted so that it meets the response time required by the applicable rules. Fuel gas regulators were installed on the natural gas lines feeding the pilot gas on Flare 4 on November 16, 2006, and on Flares 8 and 9 on December 13, 2006. On February 26, 2007, data from the steam flow controllers were brought into the operating units Distributed Control System ("DCS") in order to allow the Natural Gas Liquids Unit board operators to manage and control the steam flow rate and pressure. As of December 15, 2005, configuration files for each continuous emissions monitoring system ("CEMS") were revised so that fault alarms will be activated following calibrations exceeding two times the drift limit. Additionally, on February 1, 2006, operations personnel began daily verifications that furnace CEMS automatic calibrations are completed.

4. Failed to maintain a constant pilot flame at all times, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE §§ 116.715(a) and 122.143(4), Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 19, 40 CFR § 60.18 (c)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

5. Failed to conduct calibrations for CEMS, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE §§ 116.715(a) and 122.143(4), Air Permit No. 22690 and PSD-TX-751M1, Special Condition Nos. 11 and 12B, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

6. Failed to prevent the 24-hour rolling average concentration of carbon monoxide emissions from exceeding 400 parts per million by volume at 3.0% oxygen, dry basis, on 23 furnaces in Units 22, 23 and 33, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 117.206(e)(1)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

7. Failed to record daily flare observations on July 21 and 22, 2005, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 111.111(a)(4)(A)(ii) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

8. Failed to prevent abrasive blasting usage from exceeding one ton per day, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 106.452(2)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

9. Failed to prevent Volatile Organic Compound ("VOC") emissions due to painting activities from exceeding six pounds per hour averaged over a five-hour period on July 28 and August 16, 2005, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 106.433(7)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

10. Failed to repair Highly Reactive VOC ("HRVOC") components leaking greater than 10,000 parts per million within a timely manner, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 115.782(b)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

11. Failed to record the times and dates on paper logs for LDAR monitoring events as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 115.781(g)(1) and (2) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

6. On December 5, 2005, conducted operator training to curb carbon monoxide excursions in Units 22, 23, and 33, and implemented corrective action measures to ensure that such instances are minimized.

7. On June 1, 2006, a new daily flare observation process was initiated, and on March 8, 2007, daily verification that the flares are observed was integrated into an electronically scheduled task completion system ("e-SOMS") database.

8. On March 30, 2005, Permit-by-Rule ("PBR") authorization was obtained for the abrasive blasting activities at the Plant, and on March 8, 2006, the permit was revised to include increased usage beyond the PBR limit.

9. On March 25, 2005, PBR authorization was obtained for the painting activities at the Plant, and on March 8, 2006, the permit was revised to include increased usage beyond the PBR limit.

10. As indicated in compliance documentation dated July 14, 2008, all efforts are taken to ensure all seals are repaired within the required time frames.

11. On July 7, 2007, quarterly visible emission observations were completed by operations personnel and the paper-based visible emission observation records were replaced with e-SOMS.

12. As indicated in compliance documentation dated July 14, 2008, records are reviewed monthly to ensure VOC concentrations in the cooling tower are monitored as required.

13. As indicated in compliance documentation dated July 14, 2008, steam flow to the flare is adjusted to optimize air/hydrocarbon mixing, thereby minimizing visible emissions. Camera images of the flares are also now available to operators in control rooms to ensure that no visible emissions are present and to enhance timely corrective action for visible emissions from flares.

14. In November 2005, the steam supply for the wedgeplug valve serving cracking furnace 24F-9 was tied into the dilution steam system in order to ensure steam flow remains within permitted limits. Additionally, as of December 31, 2005, furnace operators on each shift were retrained on taking prompt corrective action during alarms and tags were hung on wedgeplug valves stating the minimum pressures.

15. On April 28, 2005, PBR authorizations were obtained for operation of the two diesel engines at the Plant, and on March 8, 2006, the permit was revised to include increased usage beyond the PBR limit.

12. Failed to monitor fourteen leaking valves in Unit 24 from September 1, 2005 to October 20, 2005, after the initial detection of the leak as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, 40 CFR §§ 60.482-7(c)(2) and 61.242-7(c)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

13. Failed to properly monitor when conducting repairs and maintenance on thirteen components site wide, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE §§ 122.143(4) and 116.715(a), Air Permit No. O-02151, Special Condition No. 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 14F and TEX. HEALTH & SAFETY CODE § 382.085(b)].

14. Failed to monitor 488 site wide components on a quarterly basis from November 29, 2004, to December 5, 2005, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE §§ 115.354(2), 115.356(2), 115.781(a), 115.782(a), 116.715(a) and 122.143(4), Air Permit No. O-02151, Special Condition Nos. 1A and 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 14F, 40 CFR § 60.482-7(a), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

15. Failed to maintain and repair seals, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 101.20(2), 40 CFR § 61.346(a)(3) and (b)(1), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

16. Failed to demonstrate that quarterly visible emissions observations of stationary vents, buildings, and other structures were conducted site wide during May 29, 2005, and June 29, 2005, as documented in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 122.143(4), Air Permit No. O-02151, Special Condition No. 3(C)(iii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

17. Failed to conduct extraordinary repair effort within fourteen days on a valve placed on DOR, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 115.782(C)(2)(A)(i) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

18. Failed to monitor valves which were over the 3% allowable on a quarterly basis in Unit 33, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, 40 CFR §§ 60.482-7(c) and (h)(2), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

16. On September 16, 2007, junction box inspections were completed by operations personnel, and the paper-based junction box inspection records were replaced with e-SOMS.

17. On January 29, 2007, operators began unloading trucks with the assistance of e-SOMS, which contains a checklist of applicable environmental requirements for truck unloading operations.

18. As indicated in compliance documentation dated July 14, 2008, steam flow to the wedgeplug valve is monitored continuously for Cracking Furnaces 24F-1 and 24F-9 by the unit's DCS and is logged and historized in the site's data historian. Additionally, as of August 1, 2007, the recording of steam flow information to each wedgeplug valve is scheduled using e-SOMS and completed by operators as part of their rounds.

19. For Incident No. 82875, the level control system from the cracked gas separator drum (22D-9) to the caustic degassing drum (22D-8) was cleaned and recalibrated on November 11, 2006. In addition, the pressure alarm set points were established on the caustic degassing drum to alert operators, an initial high level alarm set point was set on November 11, 2006, a second final high level alarm set point was set on January 29, 2007, and the existing field-type level controller on 22D-9 was replaced on March 14, 2007, with a more reliable remote seal-type controller that offers improved level control.

20. For Incident No. 82608, the discharge check valve on the bottoms pump was replaced on October 14, 2006. In addition, the pump swapping (the routine change in operation between the primary and secondary pumps) procedures and schedules were evaluated and improved upon on December 31, 2006 to ensure that pump swaps occur on a more frequent schedule and the procedures address all risks associated with the swaps.

19. Failed to monitor cooling tower VOC concentrations, as reported in the June 24 and December 15, 2005, deviation reports [30 TEX. ADMIN. CODE §§ 122.143(4) and 116.715(a), Air Permit No. O-02151, Special Condition No. 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 23 and TEX. HEALTH & SAFETY CODE § 382.085(b)].

20. Failed to prevent visible emissions from the flare (EPN 56-61-10) from exceeding five minutes in a two hour period on June 4, 2005, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE §§ 111.111(a)(4) and 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

21. Failed to ensure that the steam flow is within permitted limits and that prompt corrective action was taken when the alarm was activated in Unit 24 on November 20, 2005, as reported in the December 15, 2005, deviation report. Respondent also failed to continuously supply steam to a wedge plug valve at or greater than 80 pounds per square inch gauge ("psig") for one furnace EPN 24-36-9 in Unit 24 during the time period November 29, 2004 until May 19, 2005 [30 TEX. ADMIN. CODE § 111.143(4), Air Permit No. O-02151, Special Condition No. 26, Alternate Means of Control ("AMOC") Permit Authorization Number 2003-01, Special Condition Nos. 5 and 13, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

22. Failed to seal open-ended lines in VOC service, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE §§ 115.352(4), 115.783(5), 122.143(4) and 116.715(a), Air Permit No. 22690 and PSD-TX-751M1, Special Condition Nos. 3B and 14E, 40 CFR §§ 60.482-6(a)(1), 63.167(a)(1), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

23. Failed to obtain preconstruction authorization and keep records for two portable diesel engines, as reported in the June 24, 2005, deviation report [30 TEX. ADMIN. CODE §§ 116.110(a)(4), 122.143(4), and 117.219(f)(10), Air Permit No. O-02151, Special Condition 17, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

24. Failed to obtain authorization for abrasive blasting and painting activities being conducted at the site, as reported in the June 24, 2005, deviation report [30 TEX. ADMIN. CODE §§ 116.110(a)(4), and 122.143(4), Air Permit No. O-02151, Special Condition No. 17, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

25. Failed to record the quarterly junction box inspections, as reported in the June 24, 2005, deviation report [30 TEX. ADMIN. CODE § 101.20(2), 40 CFR § 61.356(g), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

26. Failed to record the tank truck identification and leak test date during an unloading operation of a truck on November 20, 2004, as reported in the June 24, 2005, deviation report [30 TEX. ADMIN. CODE § 115.216(3)(A)(i) and (iii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

27. Failed to record the steam flow in Unit 24 from June 3, 2005, to June 16, 2005, and also failed to record the steam pressure and steam flow rate for seven furnaces (EPNs 24-36-1, 24-36-2, 24-36-3, 24-36-4, 24-36-5, 24-36-6, 24-36-9) in Unit 24 from December 7, 2004 to January 31, 2005, as reported in the December 15, 2005, deviation report [30 TEX. ADMIN. CODE § 111.143(4), Air Permit No. O-02151, Special Condition No. 26, AMOC Permit Authorization Number 2003-01, Special Condition Nos. 7 and 9, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

28. Failed to prevent unauthorized emissions. Since this emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.715(a), Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

29. Failed to prevent unauthorized emissions. Since this emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.715(a), Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: CHEVRON PHILLIPS CHEMICAL COMPANY LP

Penalty Amount: One hundred sixty-eight thousand four hundred sixteen dollars (\$168,416)

SEP Amount: Eighty-four thousand two hundred eight dollars (\$84,208)

Type of SEP: Pre-approved

Third-Party Recipient: Houston-Galveston Area Emission Reduction Credit Organization ("AERCO") *Clean Cities/Clean Vehicles Program*

Location of SEP: Brazoria County

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

1. Project Description

A. Project

The Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used in accordance with the Supplemental Environmental Project Agreement between AERCO and the Texas Commission on Environmental Quality for the *Clean Cities/Clean Vehicles Program* in Brazoria County. SEP monies will be used to aid local school districts and area transit agencies, and may be used to reach local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP funds will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. SEP funds will be used for the costs of retrofitting or replacing older diesel buses with alternative fueled or clean fuel diesel buses. The older "high emission" buses will be permanently retired and sold only for scrap.

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

B. Environmental Benefit

Passengers, drivers, and students in the area where school buses idle during transportation are subject to harmful diesel exhaust emission every school day. Apart from containing particulate matter (PM), and ozone precursors nitrogen oxides ("NOx") and hydrocarbons ("HC"), diesel exhaust is known to cause or exacerbate a number of respiratory diseases, including asthma. Due to the more stringent emissions standards introduced by the Environmental Protection Agency (EPA), model 2007 and newer buses are also cleaner in terms of PM emissions than model year 2004 buses. New NOx and HC standards phased in between 2007 and 2010 will

result in new school bus engines being 72% cleaner for HC and 90% cleaner for NOx than a bus produced to meet the 2004 federal standards for these pollutants.

This SEP will provide a discernible environmental benefit by retiring high-emission buses from service, purchasing newer, clean fuel technology buses, and replacing newer buses with fuel treatment technology that reduces PM and HC.

C. Minimum Expenditure

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

2. **Performance Schedule**

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

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, TX 77227-2777

3. **Records and Reporting**

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

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. **Failure to Fully Perform**

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

In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall send it to:

Texas Commission on Environmental Quality

Office of Legal Services
Attention: SEP Coordinator, MC 175
P.O. Box 13088
Austin, Texas 78711-3088

5. Publicity

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

6. Clean Texas Program

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

7. Other SEPs by TCEQ or Other Agencies

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



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision November 17, 2006

DATES	Assigned	6-Nov-2006
	PCW	6-Jun-2008
	Screening	16-Nov-2006
	EPA Due	22-May-2007

RESPONDENT/FACILITY INFORMATION	
Respondent	Chevron Phillips Chemical Company LP
Reg. Ent. Ref. No.	RN100825249
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	32774	No. of Violations	27
Docket No.	2007-0286-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Kimberly Morales
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

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 112% Enhancement Subtotals 2, 3, & 7

Notes: Penalty enhancement due to two Agreed Orders, thirteen same or similar NOV's, and five non-related NOV's. Reduction for one notice of audit and one violation disclosure.

Culpability No 0% Enhancement Subtotal 4

Notes: Respondent does not meet the culpability criteria.

Good Faith Effort to Comply 0% Reduction Subtotal 5

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

Notes: The respondent does not meet good faith effort criteria.

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

SUM OF SUBTOTALS 1-7 Final Subtotal

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

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

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty

DEFERRAL Reduction Adjustment

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

PCW 1

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

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)	13	65%
	Other written NOVs	5	10%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	1	-2%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes: Penally enhancement due to two Agreed Orders, thirteen same or similar NOVs, and five non-related NOVs. Reduction for one notice of audit and one violation disclosure.

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

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(b) and 122.143(4), Air Permit No. O-02151, Special Condition No. 2F and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to create a final record for a non-reportable emissions event, within two weeks after the end of the emissions event, as reported in the December 15, 2005 deviation report. Specifically, the emissions event ended on September 10, 2005, but the final record was not created until September 28, 2005.

Base Penalty

>> Environmental, Property and Human Health Matrix

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	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="x"/>	<input type="text" value="1%"/>

Matrix Notes

Less than 30 percent 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 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 Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 1

Percent Interest 5.0
 Years of Depreciation 15
 EB Amount

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	\$500	24-Sep-2005	17-Aug-2007	1.9	\$47	n/a	\$47
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 to ensure timely recording of emissions events. Date required is the date the final record was required to be completed. Although the final record was completed on September 28, 2005, the final date is the projected compliance date to ensure that corrective action measures have been implemented to prevent the recurrence of this non-compliance.

Item Description	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 \$500 TOTAL \$47

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number

Rule Cite(s) 30 Tex. Admin. Code §§ 115.355(1) and 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, 40 Code of Federal Regulation ("CFR") § 60.485(b) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to conduct leak detection and repair monitoring in accordance with 40 CFR Part 60, Appendix A, Method 21, as reported in the December 15, 2005 deviation report. Specifically, the respondent was monitoring less than two times the response time on site wide components from July 2, 2005 to November 29, 2005.

Base Penalty

>> Environmental, Property and Human Health Matrix

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

>> Programmatic Matrix

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

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation. Emissions could not be calculated, as the deviation report did not provide sufficient information regarding the amount, type and the service of the components.

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

Two quarterly events are recommended, from the first occurrence date of July 2, 2005 to November 29, 2005 when the last problem was corrected.

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 Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 2

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description 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)	\$100,000	2-Jul-2005	17-Aug-2007	2.1	\$10,630	n/a	\$10,630

Notes for DELAYED costs: Estimated cost to improve LDAR program. Date required is the start date of the deviation. Although the last component was monitored by December 4, 2005, the final date is the projected compliance date to ensure that corrective action measures have been implemented to prevent the recurrence of this non-compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$100,000 TOTAL \$10,630

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision: 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number

Rule Cite(s) 30 Tex. Admin. Code §§ 115.782(a), 115.352(3), 116.715(a) and 122.143(4), Air Permit No. O-02151, Special Condition Nos. 1A and 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition 14H and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to adequately identify leaking components site wide from October 4, 2005 to October 20, 2005, as reported in the December 15, 2005 deviation report. Specifically, eleven leaking components were without leak tags; one component did not contain all the required information on the leak tag; and four leaking components that had been placed on delay of repair ("DOR") were without DOR tags.

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	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="1%"/>

Matrix Notes

Less than 30 percent 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 Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 3

Percent Interest 5.0
 Years of Depreciation 15
 EB Amount

Item Description	Item Cost <small>No commas or \$</small>	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				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

Economic Benefit for this violation is included in that for Violation # 2.

Avoided Costs

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

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

Notes for AVOIDED costs:

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a), 122.143(4), Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 19, 40 CFR § 60.18 (c)(2) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain a constant pilot flame at all times, as reported in the December 15, 2005 deviation report. Specifically, the pilot flame for Flare No. 56-61-4, Flare No. 56-61-9, and Flare No. 56-61-10 was unlit on eight intermittent days. In each instance, the pilot was relit the same day.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			x	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 8

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$159

Violation Final Penalty Total \$5,300

This violation Final Assessed Penalty (adjusted for limits) \$5,300

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 4

Percent Interest 5.0
 Years of Depreciation 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				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	5-Jul-2005	17-Aug-2007	2.1	\$159	n/a	\$159

Notes for DELAYED costs: Estimated cost of monitoring and relighting the pilot flame. Date required is the reported start date of the deviation. Although the pilot was relit on November 9, 2005, the final date is the projected compliance date to ensure that corrective action measures are implemented to prevent the recurrence of this non-compliance.

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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 \$1,500 TOTAL \$159

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision: 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a), 122.143(4), Air Permit No. 22690 and PSD-TX-751M1, Special Condition Nos. 11 and 12B, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to conduct calibrations for continuous emissions monitoring systems ("CEMS"), as reported in the December 15, 2005 deviation report.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential			x	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1 152 Number of violation days

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$1,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$442

Violation Final Penalty Total \$2,120

This violation Final Assessed Penalty (adjusted for limits) \$2,120

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 5

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description 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)	\$4,000	2-Jun-2005	17-Aug-2007	2.2	\$442	n/a	\$442

Notes for DELAYED costs

Estimated cost of operator training and oversight required to ensure CEMS calibrations are performed. Date required is the reported start date of the deviation. Although the last correction was completed on November 29, 2005, the final date is the projected compliance date to ensure that corrective action measures have been implemented to prevent the recurrence of this non-compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$4,000

TOTAL \$442

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code § 117.206(e)(1)(A), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent the 24-hour rolling average concentration of carbon monoxide emissions from exceeding 400 parts per million by volume at 3.0% oxygen, dry basis, on 23 furnaces in Units 22, 23 and 33, as reported in the December 15, 2005 deviation report. Specifically, the respondent reported fifty-five instances between January 5, 2005 and December 5, 2005, where the 24-hour rolling average concentration of carbon monoxide was exceeded.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

		3	55	Number of violation days
mark only one with an x	daily			Violation Base Penalty \$7,500
	monthly			
	quarterly			
	semiannual			
	annual			
	single event	X		

Three single events, one per unit are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$131

Violation Final Penalty Total \$15,900

This violation Final Assessed Penalty (adjusted for limits) \$15,900

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 6

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description 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)	\$1,000	5-Jan-2005	17-Aug-2007	2.6	\$131	n/a	\$131

Notes for DELAYED costs
 Estimated cost to set alarms at the required levels to ensure CO concentrations are not exceeded. Date required is the date the first reported incident occurred. Although the last correction was completed on December 5, 2005, the final date is the projected compliance date to ensure that corrective action measures have been implemented to prevent the recurrence of this non-compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$131

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 7

Rule Cite(s) 30 Tex. Admin. Code § 111.111(a)(4)(A)(ii), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to record daily flare observations on July 21 and 22, 2005, as reported in the December 15, 2005 deviation report.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
			x	1%

Matrix Notes

Less than 30 percent of the flare log notations were not made.

Adjustment \$9,900

\$100

Violation Events

	1	2	Number of violation days
mark only one with an x	daily		Violation Base Penalty \$100
	monthly		
	quarterly		
	semiannual		
	annual		
single event	x		

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$16

Violation Final Penalty Total \$212

This violation Final Assessed Penalty (adjusted for limits) \$212

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 7

Percent Interest 5.0
 Years of Depreciation 15
 EB Amount

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				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)	\$150	21-Jul-2005	17-Aug-2007	2.1	\$16	n/a	\$16

Notes for DELAYED costs: Estimated cost of recording the flare observations. Date required is the reported start date of the deviation. Although flare observations were conducted on July 22, 2005, the final date is the projected compliance date to ensure that corrective action measures have been implemented to prevent the recurrence of this non-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 \$150 TOTAL \$16

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 8

Rule Cite(s) 30 Tex. Admin. Code § 106.452(2)(A), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent abrasive blasting usage from exceeding one ton per day, as reported in the December 15, 2005 deviation report. Specifically, abrasive blasting usage was 1.25 tons on June 3, 2005, 1.1 tons on August 7, 2005, 1.5 tons on August 10, 2005, and 3.25 tons on August 17, 2005.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

4 Number of violation days

daily	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$76

Violation Final Penalty Total \$5,300

This violation Final Assessed Penalty (adjusted for limits) \$5,300

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 8

Percent Interest 5.0
 Years of Depreciation 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				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$2,000	3-Jun-2005	8-Mar-2006	0.8	\$76	n/a	\$76
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs
 Estimated cost to obtain authorization for additional abrasive blasting usage. Date required is the reported start date of the deviation. Final date is the date when the permit was amended to include the amount of abrasive blasting activity being conducted at the site.

Item Description	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 \$2,000 TOTAL \$76

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 9

Rule Cite(s) 30 Tex. Admin. Code § 106.433(7)(A), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent Volatile Organic Compound ("VOC") emissions due to painting activities from exceeding six pounds per hour averaged over a five-hour period on July 28 and August 16, 2005, as reported in the December 15, 2005 deviation report.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 2

mark only one with an x	daily	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$61

Violation Final Penalty Total \$5,300

This violation Final Assessed Penalty (adjusted for limits) \$5,300

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 9

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description 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	\$2,000	28-Jul-2005	8-Mar-2006	0.6	\$61	n/a	\$61
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: Estimated cost to obtain authorization for additional VOC emissions due to painting activities. Date required is the reported start date of the deviation. Final date is the date when the permit was amended to include the amount of painting activity being conducted at the site.

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 \$2,000 TOTAL \$61

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 10

Rule Cite(s) 30 Tex. Admin. Code § 115.782(b)(1), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to repair Highly Reactive VOC ("HRVOC") components leaking greater than 10,000 parts per million within a timely manner, as reported in the December 15, 2005 deviation report. Specifically, the first attempt to repair five leaking components in Unit 12 and Unit 24 were not made within one business day during the month of June, July and August 2005. In addition, in Unit 24, the first attempt to repair a leaking component discovered on June 13, 2005, was made on the second business day.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation. Emissions could not be calculated, as the deviation report did not provide sufficient information regarding the amount, type and the service of the components.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 17

daily	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$5,300

This violation Final Assessed Penalty (adjusted for limits) \$5,300

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 10

Percent Interest Years of
 Depreciation
 5.0 15

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

Delayed Costs

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

Notes for DELAYED costs

Economic Benefit for this violation is included in that for Violation # 2.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

V12 11

Rule Cite(s) 30 Tex. Admin. Code § 115.781(g)(1) and (2), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to record the times and dates on paper logs for Leak Detection and Repair ("LDAR") monitoring events, as reported in the December 15, 2005 deviation report. Specifically, there were nine instances between August 1, 2005, and December 1, 2005, where the paper logs did not have the time and date properly recorded.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
			x	1%

Matrix Notes

Less than 30 percent of the date and time notations were not made.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1 9 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
single event	x	

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$212

This violation Final Assessed Penalty (adjusted for limits) \$212

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 32774

Reg. Ent. Reference No. RN100825249

Media Air Quality

Violation No. 11

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

Notes for DELAYED costs

Economic Benefit for this violation is included in that for Violation # 2.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$0 TOTAL \$0

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2/2006

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 12

Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, 40 CFR §§ 60.482-7(c)(2) and 61.242-7(c)(2) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to monitor fourteen leaking valves in Unit 24 from September 1, 2005 to October 20, 2005, after the initial detection of the leak as reported in the December 15, 2005 deviation report.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Estimated emissions of 16.8 pounds of VOC in light liquid service for the days the leaking valves were not monitored were calculated utilizing the Facility/Compound Specific Fugitive Emission Factors in the "Air Permits Technical Guidance for Chemical Sources: Equipment Leak Fugitives" publication.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 50

mark only one with an x	daily	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$5,300

This violation Final Assessed Penalty (adjusted for limits) \$5,300

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP

Case ID No. 32774

Reg. Ent. Reference No. RN100825249

Media Air Quality

Violation No. 12

Percent Interest	5.0	Years of Depreciation	15
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Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

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

Notes for DELAYED costs

Economic Benefit for this violation is included in that for Violation # 2.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 13

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4), 116.715(a), Air Permit No. O-02151, Special Condition No. 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 14F and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to properly monitor when conducting repairs and maintenance on thirteen components site wide, as reported in the December 15, 2005 deviation report. The components were repaired on June 28, 2005, but were not monitored until June 29, 2005.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation. Emissions could not be calculated, as the deviation report did not provide sufficient information regarding the type and the service of the components.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$2,500

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$5,300

This violation Final Assessed Penalty (adjusted for limits) \$5,300

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP

Case ID No. 32774

Reg. Ent. Reference No. RN100825249

Media Air Quality

Violation No. 13

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				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

Economic Benefit for this violation is included in that for Violation # 2.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision: 25 September 2002

Case ID No. 32774

PCW Revision: November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 14

Rule Cite(s) 30 Tex. Admin. Code §§ 115.354(2), 115.356(2), 115.781(a), 115.782(a), 116.715(a), 122.143(4), Air Permit No. O-02151, Special Condition Nos. 1A and 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 14F, 40 CFR 60.482-7(a) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to monitor 488 site wide components on a quarterly basis from November 29, 2004 to December 5, 2005, as reported in the December 15, 2005 deviation report.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 5

371 Number of violation days

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$12,500

Five quarterly events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$26,500

This violation Final Assessed Penalty (adjusted for limits) \$26,500

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 14

Percent Interest 5.0
 Years of Depreciation 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				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

Economic Benefit for this violation is included in that for Violation # 2.

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Avoided Costs							
ANNUALIZE (1) avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance (2)				0.0	\$0	\$0	\$0
ONE-TIME avoided costs (3)				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 15

Rule Cite(s) 30 Tex. Admin. Code § 101.20(2), 40 CFR § 61.346(a)(3) and (b)(1) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to maintain and repair seals, as reported in the December 15, 2005 deviation report. Specifically, a broken junction box seal in Unit 24 was identified as leaking on November 22, 2005, but was not repaired within 15 days. The seal was repaired on December 9, 2005, and in Unit 10ABC a broken seal was discovered on July 24, 2005 and repaired on September 9, 2005. In addition, on November 21, 2005, it was discovered that a tight seal on a process drain plug in Unit 24 was not being maintained. The seal was replaced on December 2, 2005.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2

45 Number of violation days

daily	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an X

Violation Base Penalty \$5,000

Two quarterly events, one for each unit are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$10,600

This violation Final Assessed Penalty (adjusted for limits) \$10,600

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 15

Percent Interest Years of
 Depreciation
 5.0 15

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

Item Description No commas or \$

Delayed Costs

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

Notes for DELAYED costs

Economic Benefit for this violation is included in that for Violation # 2.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 16

Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Air Permit No. O-02151, Special Condition No. 3(C)(iii) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to demonstrate that quarterly visible emissions observations of stationary vents, buildings, and other structures were conducted site wide from May 29, 2005 to June 29, 2005, as documented in the December 15, 2005 deviation report.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential			X	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1 Number of violation days 1

daily	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an X

Violation Base Penalty \$1,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$30

Violation Final Penalty Total \$2,120

This violation Final Assessed Penalty (adjusted for limits) \$2,120

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 16

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description 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)	\$500	29-May-2005	17-Aug-2006	1.2	\$30	n/a	\$30

Notes for DELAYED costs

Estimated cost to improve monitoring and recordkeeping activities. Date required is the reported start date of the first deviation. One quarterly event was missed for the quarter ending in June 2005, the final date is the projected compliance date to ensure that corrective action measures have been implemented to prevent the recurrence of this non-compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$30

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 17

Rule Cite(s) 30 Tex. Admin. Code § 115.782(C)(2)(A)(i) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to conduct extraordinary repair effort within fourteen days on a valve placed on DOR, as reported in the December 15, 2005 deviation report. Specifically, the valve was found leaking in Unit 22, on June 25, 2005. It was placed on the DOR list on July 1, 2005, but was not repaired until October 20, 2005.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Estimated emissions of 6.8 pounds of VOC in light liquid service for the days the leaking valves were not monitored were calculated utilizing the Facility/Compound Specific Fugitive Emission Factors in the "Air Permits Technical Guidance for Chemical Sources: Equipment Leak Fugitives" publication.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2

103 Number of violation days

daily	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$5,000

Two quarterly events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$10,600

This violation Final Assessed Penalty (adjusted for limits) \$10,600

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2/1 September 2002

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 18

Rule Cite(s)

30 Tex. Admin. Code § 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, 40 CFR §§ 60.482-7(c) and (h)(2) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to monitor valves which were over the 3% allowable on a quarterly basis in Unit 33, as reported in the December 15, 2005 deviation report. Specifically, the valves were not monitored from November 29, 2004 to November 29, 2005.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation. Emissions could not be calculated, as the deviation report did not provide sufficient information regarding the service of the components.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 4

365 Number of violation days

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$10,000

Four quarterly events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$21,200

This violation Final Assessed Penalty (adjusted for limits) \$21,200

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP

Case ID No. 32774

Reg. Ent. Reference No. RN100825249

Media Air Quality

Violation No. 18

Percent Interest Years of
5.0 Depreciation
15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Overtime 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				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

Economic Benefit for this violation is included in that for Violation # 2.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 19

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a), 122.143(4), Air Permit No. O-02151, Special Condition No. 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 23 and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to monitor cooling tower VOC concentrations, as reported in the June 24 and December 15, 2005 deviation reports.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential			x	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1 Number of violation days 62

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$1,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$2,120

This violation Final Assessed Penalty (adjusted for limits) \$2,120

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 19

Percent Interest Years of
 Depreciation
 5.0 15

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

Delayed Costs

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

Notes for DELAYED costs

Economic Benefit for this violation is included in that for Violation # 2.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 20

Rule Cite(s) 30 Tex. Admin. Code §§ 111.111(a)(4), 122.143(4), Air Permit No. O-02151, Special Condition No. 1A and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent visible emissions from the flare (EPN 56-61-10) from exceeding five minutes in a two hour period on June 4, 2005, as reported in the December 15, 2005 deviation report.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 1 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	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 \$1

Violation Final Penalty Total \$5,300

This violation Final Assessed Penalty (adjusted for limits) \$5,300

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP

Case ID No. 32774

Reg. Ent. Reference No. RN100825249

Media Air Quality

Violation No. 20

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>							
Delayed Costs							
Equipment	0.0			0.0	\$0	\$0	\$0
Buildings	0.0			0.0	\$0	\$0	\$0
Other (as needed)	0.0			0.0	\$0	\$0	\$0
Engineering/construction	0.0			0.0	\$0	\$0	\$0
Land	0.0			0.0	\$0	n/a	\$0
Record Keeping System	0.0			0.0	\$0	n/a	\$0
Training/Sampling	0.0			0.0	\$0	n/a	\$0
Remediation/Disposal	0.0			0.0	\$0	n/a	\$0
Permit Costs	0.0			0.0	\$0	n/a	\$0
Other (as needed)	\$100	4-Jun-2005	17-Aug-2005	0.2	\$1	n/a	\$1

Notes for DELAYED costs

Estimated cost of corrective action. Date required is the date the problem with visible emissions occurred. Although the flare was adjusted to remove the visible emissions the same day, the final date is the projected compliance date to ensure that corrective action measures have been implemented to prevent the recurrence of this non-compliance.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal	0.0			0.0	\$0	\$0	\$0
Personnel	0.0			0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling	0.0			0.0	\$0	\$0	\$0
Supplies/equipment	0.0			0.0	\$0	\$0	\$0
Financial Assurance [2]	0.0			0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]	0.0			0.0	\$0	\$0	\$0
Other (as needed)	0.0			0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$100 TOTAL \$1

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 21

Rule Cite(s) 30 Tex. Admin. Code § 111.143(4), Air Permit No. O-02151, Special Condition No. 26, Alternate Means of Control ("AMOC") Permit Authorization Number 2003-01, Special Condition Nos. 5 and 13, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to ensure that the steam flow is within permitted limits and that prompt corrective action was taken when the alarm was activated in Unit 24 on November 20, 2005 as reported in the December 15, 2005 deviation report. Chevron Phillips also failed to continuously supply steam to a wedge plug valve at or greater than 80 pounds per square inch gauge ("psig") for one furnace EPN 24-36-9 in Unit 24 during the time period November 29, 2004 until May 19, 2005.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors resulting from the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 2

172 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$2,000

Two single events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$68

Violation Final Penalty Total \$4,240

This violation Final Assessed Penalty (adjusted for limits) \$4,240

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 21

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				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)	\$500	29-Nov-2004	17-Aug-2007	2.7	\$68	n/a	\$68

Notes for DELAYED costs
 Estimated cost of corrective action. Date required is the reported start date of the first deviation. (Non-compliance days were from 06/03/2005 to 06/16/2005, 12/7/2004 to 01/31/2005, and 11/29/2004 to 05/19/2005). Although the problem was corrected on June 16, 2005, the final date is the projected compliance date to ensure that corrective action measures have been implemented to prevent recurrence.

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	\$500	TOTAL	\$68
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Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 22

Rule Cite(s) 30 Tex. Admin. Code §§ 115.352(4), 115.783(5), 122.143(4), 116.715(a), Air Permit No. 22690 and PSD-TX-751M1, Special Condition Nos. 3B and 14E, 40 CFR §§ 60.482-6(a)(1), 63.167(a)(1) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to seal open-ended lines in VOC service, as reported in the December 15, 2005 deviation report. Specifically, Chevron Phillips discovered and reported three hundred two open ended lines that were in VOC service during the time period of November 29, 2004, to November 29, 2005 site wide. In addition, twenty four open ended lines in Hazardous Air Pollutants service were also discovered and reported for the same time period.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Estimated emissions of 358.8 pounds of VOC in light liquid service for the days the open ended lines were not sealed were calculated utilizing the Facility/Compound Specific Fugitive Emission Factors in the "Air Permits Technical Guidance for Chemical Sources: Equipment Leak Fugitives" publication.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 4

365 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$10,000

Four quarterly events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$21,200

This violation Final Assessed Penalty (adjusted for limits) \$21,200



Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 22

Percent Interest 5.0
 Years of Depreciation 15

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

Delayed Costs

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

Notes for DELAYED costs

Economic Benefit for this violation is included in that for Violation # 2.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 23

Rule Cite(s)

30 Tex. Admin. Code §§ 116.110(a)(4), 122.143(4), 117.219(f)(10), Air Permit No. O-02151, Special Condition 17, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to obtain preconstruction authorization and keep records for two portable diesel engines, as reported in the June 24, 2005 deviation report. Specifically, Chevron Phillips did not have preconstruction authorization for two portable diesel engines from November 29, 2004 to April 28, 2005. In addition, there were no records kept for the operation of the engines between November 29, 2004 and December 31, 2004.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
	X		

Percent 25%

Matrix Notes

100 percent the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2

150 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$5,000

Two single events, one for each diesel engine are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount \$21

Statutory Limit Test

Violation Final Penalty Total \$10,600

This violation Final Assessed Penalty (adjusted for limits) \$10,600

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP

Case ID No. 32774

Reg. Ent. Reference No. RN100825249

Media Air Quality

Violation No. 23

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Overtime 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				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$1,000	29-Nov-2004	28-Apr-2005	0.4	\$21	n/a	\$21
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: Estimated cost of corrective action. Date required is the reported start date of the deviation. Final date is when permit by rule authorization was obtained.

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 \$1,000 TOTAL \$21

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 24

Rule Cite(s) 30 Tex. Admin. Code §§ 116.110(a)(4), 122.143(4), Air Permit No.O-02151, Special Condition No. 17 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to obtain authorization for abrasive blasting and painting activities being conducted at the site, as reported in the June 24, 2005 deviation report. Specifically, Chevron Phillips Chemical Company LP did not obtain authorization for abrasive blasting and painting being conducted at the site from November 29, 2004 to March 30, 2005.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 25%

Matrix Notes

100 percent of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2

121 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$5,000

Two quarterly events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$33

Violation Final Penalty Total \$10,600

This violation Final Assessed Penalty (adjusted for limits) \$10,600

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 25

Rule Cite(s) 30 Tex. Admin. Code § 101.20(2), 40 CFR § 61.356(g) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to record the quarterly junction box inspections, as reported in the June 24, 2005 deviation report. Specifically, the quarterly junction box inspection was not recorded for Unit 12 during the last quarter ending on December 31, 2004.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes

Less than 30 percent of the rule requirement was not met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$26

Violation Final Penalty Total \$212

This violation Final Assessed Penalty (adjusted for limits) \$212

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 25

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description 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)	\$200	30-Dec-2004	17-Aug-2007	2.6	\$26	n/a	\$26

Notes for DELAYED costs: Estimated cost of corrective action. Date required is the reported start date of the first deviation. Although the quarterly junction box inspection was resumed in January 2005, the final date is the projected compliance date to ensure that corrective action measures have been implemented to prevent the recurrence of this non-compliance.

Avoided Costs

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

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

Notes for AVOIDED costs:

Approx. Cost of Compliance \$200 TOTAL \$26

Screening Date 16-Nov-2006

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 26

Rule Cite(s) 30 Tex. Admin. Code § 115.216(3)(A)(i) and (iii) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to record the tank truck identification and leak test date during an unloading operation of a truck on November 20, 2004, as reported in the June 24, 2005 deviation report.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
			x	1%

Matrix Notes 30 percent of the rule requirement was not met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
single event	x	

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$7

Violation Final Penalty Total \$212

This violation Final Assessed Penalty (adjusted for limits) \$212

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP

Case ID No. 32774

Reg. Ent. Reference No. RN100825249

Media Air Quality

Violation No. 26

Percent Interest Years of
5.0 Depreciation
15

Item Cost Date Required Final Date Yrs Interest Saved Overtime Costs EB Amount

Item Description No commas or \$

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Overtime 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)	\$50	20-Nov-2004	17-Aug-2007	2.7	\$7	n/a	\$7

Notes for DELAYED costs

Estimated cost of corrective action. Date required is the reported start date of the deviation. The final date is the projected compliance date to ensure that corrective action measures have been implemented to prevent the recurrence of this non-compliance.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Overtime 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

\$50

TOTAL

\$7

Compliance History

Customer/Respondent/Owner-Operator: CN600303614 Chevron Phillips Chemical Company LP Classification: AVERAGE Rating: 3.74

Regulated Entity: RN100825249 CHEVRON PHILLIPS CHEMICAL SWEENEY COMPLEX Classification: AVERAGE Site Rating: 2.10

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	BL0758C
	AIR OPERATING PERMITS	PERMIT	2151
	AIR OPERATING PERMITS	PERMIT	52061
	AIR NEW SOURCE PERMITS	REGISTRATION	75479
	AIR NEW SOURCE PERMITS	REGISTRATION	75473
	AIR NEW SOURCE PERMITS	REGISTRATION	75473
	AIR NEW SOURCE PERMITS	REGISTRATION	75447
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	BL0758C
	AIR NEW SOURCE PERMITS	PERMIT	22690
	AIR NEW SOURCE PERMITS	REGISTRATION	75059
	AIR NEW SOURCE PERMITS	REGISTRATION	75072
	AIR NEW SOURCE PERMITS	AFS NUM	0145
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXR000039834
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	86586

Location: 21689 HIGHWAY 35, OLD OCEAN, TX, 77463 Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: December 04, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 20, 2001 to November 20, 2006

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

Name: NHameed Phone: 713-767-3629

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 Effective Date: 02/02/2003 ADMINORDER 2002-0127-AIR-E
Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.6[G]
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report an upset within 24 hours that occurred on September 8, 2001.
Classification: Moderate

Citation: 5C THC Chapter 382, SubChapter A 382.085(a)
Description: Failure to prevent a release of 21872 pounds of propylene on September 8, 2001.

Effective Date: 04/14/2006 ADMINORDER 2005-1709-AIR-E
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: No. 22690 and and PSD-TX-751M1 SC. #1 PA
Description: Failed to prevent unauthorized emissions during an avoidable emissions event that occurred on February 28, 2005.

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

N/A

CH 1

C. Chronic excessive emissions events.

N/A

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

1 11/29/2001 (139633)
N/A
2 01/23/2002 (139634)
3 02/12/2002 (139635)
4 03/13/2002 (139636)
5 03/18/2002 (139637)
6 03/18/2002 (139638)
7 04/02/2002 (139639)
8 04/03/2002 (139640)
9 04/05/2002 (139641)
10 05/15/2002 (139642)
11 10/07/2002 (11428)
12 03/07/2003 (21689)
13 08/31/2004 (275640)
14 05/17/2002 (139643)
15 01/07/2005 (289178)
16 01/12/2004 (259447)
17 08/22/2005 (405938)
18 03/27/2003 (23382)
19 07/26/2005 (401365)
20 05/12/2006 (457773)
21 12/05/2005 (434398)
22 05/05/2004 (265440)
23 04/17/2006 (437247)
24 02/16/2006 (434647)
25 08/23/2004 (259527)
26 04/20/2006 (462475)
27 08/31/2004 (275727)
28 12/05/2005 (433634)
29 10/19/2006 (511690)
30 05/12/2006 (457763)
31 01/30/2006 (451420)
32 02/03/2006 (452920)
33 01/20/2006 (434431)
34 07/07/2006 (483754)
35 08/31/2002 (9986)
36 04/06/2006 (456117)
37 05/17/2006 (458185)
38 01/25/2006 (438519)
39 02/23/2006 (451616)
40 02/21/2005 (345241)
41 10/08/2003 (248893)
42 08/02/2005 (402542)
43 01/07/2005 (339259)
44 08/14/2002 (7963)
45 02/24/2006 (455128)
46 03/14/2006 (435096)
47 11/14/2004 (273790)
48 05/12/2006 (457767)
49 12/14/2004 (339248)
50 03/23/2006 (439922)
51 07/26/2003 (61715)
52 08/04/2006 (487670)
53 07/12/2004 (258432)
54 04/27/2005 (378280)
55 03/27/2006 (381420)
56 09/28/2006 (511672)
57 10/31/2005 (434581)
58 02/21/2005 (345242)
59 10/29/2004 (293172)

60 01/07/2005 (289620)
61 08/30/2005 (398784)
62 03/23/2006 (456133)
63 05/15/2006 (457756)
64 05/12/2006 (457729)
65 08/26/2005 (397897)
66 02/28/2006 (456109)
67 07/31/2003 (12829)
68 02/21/2005 (345244)

69 12/13/2004 (335760)
70 07/06/2006 (457725)
71 01/30/2006 (451165)
72 05/12/2006 (457714)
73 09/28/2005 (405189)
74 02/23/2006 (455308)
75 06/30/2004 (275987)
76 01/30/2006 (451081)
77 11/13/2003 (254712)
78 01/17/2006 (450657)
79 10/08/2003 (248868)
80 02/16/2006 (452146)
81 02/24/2006 (449980)
82 08/27/2003 (152358)
83 01/19/2006 (449735)
84 07/26/2003 (61716)
85 05/23/2006 (466215)
86 12/05/2005 (434458)
87 03/31/2005 (374023)
88 08/24/2006 (480002)
89 12/13/2004 (339619)
90 12/13/2004 (335727)
91 05/12/2006 (457770)
92 07/20/2006 (486881)
93 01/30/2006 (449589)
94 01/30/2006 (450728)
95 10/22/2003 (250248)
96 08/31/2004 (275582)
97 01/07/2005 (289641)
98 05/25/2005 (379870)
99 04/03/2003 (25138)
100 05/22/2006 (464707)
101 04/06/2006 (456167)
102 06/30/2004 (276008)
103 05/19/2005 (378004)
104 06/14/2006 (466748)
105 05/27/2003 (282800)
106 05/12/2006 (457753)
107 02/08/2006 (451286)

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

Date: 12/04/2001 (139633)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.6[G]

Description: NOTIFICATION MAJ UPSET

Self Report? NO

Classification: Moderate

Citation: 5C THC Chapter 382, SubChapter A 382.085(a)

Description: UNAUTH EMISSIONS CIVIL

Date: 11/27/2001 (139634)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)

Rqmt Prov: OP IA

Description: FLEX PERMIT CONDITIONS

Date: 02/13/2002 (139635)
Self Report? NO Classification: Moderate
Citation: 5C THC Chapter 382, SubChapter A 382.085(a)
Description: UNAUTH EMISSIONS CIVIL
Date: 11/14/2004 (273790)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT IA
Description: Exceeded VOC permit limit during an avoidable emissions event.

Date: 05/16/2002 (139642)
Self Report? NO Classification: Moderate
Description: FL BE COMPLIANCE DATE
Self Report? NO Classification: Moderate
Description: FL BE COMPLIANCE DATE
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
Description: REFINERY FUGTV/CTRL RE
Date: 05/16/2006 (486731)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 1 (EPN 22-36-1.)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 2 (EPN 22-36-2.)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 3 (EPN 22-36-3.)
Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of the Furnace.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 4 (EPN 22-36-4.)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 6 (EPN 22-36-6.)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 7 (EPN 22-36-7.)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 8 (EPN 22-36-8.)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of the Turbine Bypass Stack (EPN 22-95-27.)
Date: 02/14/2006 (452146)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT IA
Description: Failure to prevent unauthorized emissions.

Date: 07/12/2004 (258432)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT IA
Description: Exceeded VOC permit limits during an avoidable emissions event.
Date: 04/07/2006 (456117)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: PERMIT IA

Description: Chevron failed to properly maintain the primary and secondary vacuum condensate pumps.

Date: 07/31/2003 (12829)
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
Description: CPC failed to record the daily flare observation. For year 2003, Unit 33 flare had no records of observation on a number of days: 6 days (February); 1 day (March), and 3 days (April). The records were below 98% of the required observations.

Date: 10/08/2003 (248893)
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)
Rqmt Prov: PERMIT IA
Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of MAERT limits of TCEQ Air Permit No. 22690.

Date: 05/06/2004 (265440)
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.242-6(a)(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)

Rqmt Prov: PA IA
Description: Chevron Phillips Chemical Company, (CPCC) failed to cap or plug valve nos., 16, and 425 in unit 24.1, Debutanized Aromatic Concentrate,(DAC) Hydrotreater. All valves are in VOC service and without the required cap or plug.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(1)

Rqmt Prov: PA IA
Description: During the record review, it was discovered that in 2000, CPCC failed to make attempt repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(2)

Description: During the record review, it was discovered that in 2000, CPCC failed to make first attempt repair on the leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 first attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report? NO Classification: Moderate

Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.171(a)

Rqmt Prov: PA IA
Description: It was discovered that in 2000, CPCC failed to make attempt at repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001, attempt repairs were not made on valve nos. 678, 02893, and 4560 within 15 days before these valves were placed on unit Shutdown list.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 115, SubChapter B 115.142(1)(A)
30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.346(b)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.136(e)(1)(i)
Rqmt Prov: PA IA
Description: CPCC failed to equip process drain nos. 84, 89, 93,95, 100, 112, 624, 1527, with required water seal controls or a tightly sealed cap of plug (each drain found to be emitting volatile organic compound (VOC) in excess of 500 ppm)
Date: 09/28/2005 (405189)

Self Report? YES Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)(9)
Description: Failure to identify in the final record of a scheduled maintenance, startup, or shutdown activity with unauthorized emissions, the preconstruction authorization number governing the facility involved in the scheduled maintenance, startup, or shutdown activity.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT IA
Description: Failure to comply with any and all general and special conditions contained in a flexible permit.
Date: 10/22/2003 (250248)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
Description: Failed to close an electrically operated transfer valve during preventative maintenance on unit 33 furnace # 3 (33-36-3).
Date: 10/08/2003 (248868)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)
Rqmt Prov: PERMIT IA
Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of the MAERT of TCEQ Air Permit No. 22690.
Date: 08/23/2004 (259527)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PA IA
Description: Exceeded permit limits during an avoidable emissions event.
Date: 01/25/2006 (438519)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT IA
Description: Chevron failed to prevent contact with the remote electrical control panel.
Date: 01/29/2003 (23382)

Self Report? NO Classification: Major
Citation: 30 TAC Chapter 117, SubChapter B 117.213(c)(1)(B)
30 TAC Chapter 117, SubChapter B 117.213(d)(1)(A)
30 TAC Chapter 117, SubChapter B 117.213(l)
Description: The regulated entity is in compliance with the reporting requirements of 30 Tex. Admin. Code 117.219(d). However, during the reporting period there were several periods of excess NOx emissions and several periods of NOx and CO CEMS downtime. Therefore, a notice of violation is being issued to Chevron Phillips.

F. Environmental audits.

Notice of Intent Date: 10/09/2002

(33085)

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to identify in the Total Annual Benzene ("TAB") report each point of waste generation, hydrocarbon phase benzene, and flow-weighted concentration data

Viol. Classification: Major

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to control the annual benzene emissions from Unit No. 24, oily water sump, for calendar year 2002

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to equip vacuum boxes and roll-off boxes with submerged fill pipes with openings within two pipe diameters of the container bottom

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to maintain records to demonstrate that annual no detectable emissions monitoring had been performed

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to install flow indicators on four junction boxes for Unit 10ABC

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to perform 4th quarter visual inspections for Unit No. 24 for calendar year 2002

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to make first attempts to repair flow meters, water seals on the process drains, and seals on the junction boxes after the June 20, 2001 visual inspection for Unit Nos. 10ABC and 24

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to control organic emissions and replace carbon canisters immediately when breakthrough is detected for each Carbon Absorption System ("CAS") for Unit No. 33

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to maintain design documentation for drain hub water seals, junction box and sump water seals, and flow indicators

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to maintain corrective action records for flow indicators

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to maintain CAS monitoring and carbon replacement time records

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
61.01(a)

Description: Failure to submit a complete annual corrective actions summary report for calendar year 2002

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



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision January 9, 2007

TCEQ

DATES	Assigned	20-Feb-2007	Screening	22-Feb-2007	EPA Due	3-Dec-2007
	PCW	9-Apr-2008				

RESPONDENT/FACILITY INFORMATION

Respondent	Chevron Phillips Chemical Company LP	
Reg. Ent. Ref. No.	RN100825249	
Facility/Site Region	12-Houston	Major/Minor Source
		Major

CASE INFORMATION

Enf./Case ID No.	32774	No. of Violations	2
Docket No.	2007-0286-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Kimberly Morales
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

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 100% Enhancement Subtotals 2, 3, & 7

Notes

Culpability No 0% Enhancement Subtotal 4

Notes

Good Faith Effort to Comply 0% Reduction Subtotal 5

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

Notes

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. (Enter number only; e.g. -30 for -30%.)

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

PAYABLE PENALTY

PCW 2

Screening Date 22-Feb-2007

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision : (September 2002)

Case ID No. 32774

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

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)	10	50%
	Other written NOVs	7	14%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	2	-2%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	1	-2%

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

Penalty enhancement due to two Agreed Orders, ten same or similar NOVs, and seven non-related NOVs. Reduction for two notice of audits and one violation disclosure.

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

Screening Date 22-Feb-2007

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, 4,758 pounds ("lbs") of ethylene, 97 lbs of 1,3-butadiene, 53 lbs of benzene, and 105 lbs of propylene were released when Chevron Phillips failed to prevent plugging in drum D-9, resulting in an emissions event that occurred on October 20, 2006, and lasted for one hour twenty minutes (Incident No. 82875). Since this emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		x		50%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$56

Violation Final Penalty Total \$10,000

This violation Final Assessed Penalty (adjusted for limits) \$10,000

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 32774
 Reg. Ent. Reference No. RN100825249
 Media Air Quality
 Violation No. 1

Percent Interest 5.0
 Years of Depreciation 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				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)	\$1,000	20-Oct-2006	3-Dec-2007	1.1	\$56	n/a	\$56

Notes for DELAYED costs: Estimated cost of corrective action. Date required is the date the incident occurred. Final date is the projected date for the completion of the corrective actions.

Item Description	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 \$1,000 TOTAL \$56

Screening Date 22-Feb-2007

Docket No. 2007-0286-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32774

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN100825249

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 1,882 lbs of ethylene, 21 lbs of 1,3-butadiene, 20 lbs of benzene, and 418 lbs of nitric oxide were released when Chevron Phillips failed to properly maintain Ethylene Unit 22, resulting in an emissions event that occurred on October 12, 2006, and lasted for forty-eight hours (Incident No. 82608). Since this emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

2 Number of violation days

mark only one with an 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 \$10

Violation Final Penalty Total \$5,000

This violation Final Assessed Penalty (adjusted for limits) \$5,000

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP

Case ID No. 32774

Reg. Ent. Reference No: RN100825249

Media Air Quality

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
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

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)	\$900	12-Oct-2006	31-Dec-2006	0.2	\$10	n/a	\$10

Notes for DELAYED costs

Estimated cost of corrective action. Date required is the date the incident occurred. Final date is date the corrective actions were completed.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$900

TOTAL

\$10

Compliance History

Customer/Respondent/Owner-Operator: CN600303614 Chevron Phillips Chemical Company LP Classification: AVERAGE Rating: 3.74

Regulated Entity: RN100825249 CHEVRON PHILLIPS CHEMICAL SWEENEY COMPLEX Classification: AVERAGE Site Rating: 2.10

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	BL0758C
AIR OPERATING PERMITS	PERMIT	2151
AIR OPERATING PERMITS	PERMIT	52061
AIR NEW SOURCE PERMITS	REGISTRATION	75479
AIR NEW SOURCE PERMITS	REGISTRATION	75473
AIR NEW SOURCE PERMITS	REGISTRATION	75447
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	BL0758C
AIR NEW SOURCE PERMITS	PERMIT	22690
AIR NEW SOURCE PERMITS	REGISTRATION	75059
AIR NEW SOURCE PERMITS	REGISTRATION	75072
AIR NEW SOURCE PERMITS	AFS NUM	4803900145
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXR000039834
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	86586

Location: 21689 HIGHWAY 35, OLD OCEAN, TX, 77463 Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: February 21, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: February 19, 2002 to February 21, 2007

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

Name: NHameed Phone: 713-769-3629

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

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

Effective Date: 02/02/2003 ADMINORDER 2002-0127-AIR-E
 Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.6[G]
 5C THC Chapter 382, SubChapter A 382.085(b)

1660 Description: Failure to report an upset within 24 hours that occurred on September 8, 2001.
 Classification: Moderate
 Citation: 5C THC Chapter 382, SubChapter A 382.085(a)
 Description: Failure to prevent a release of 21872 pounds of propylene on September 8, 2001.

Effective Date: 04/14/2006 ADMINORDER 2005-1709-AIR-E
 Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)

1660 Rqmt Prov: No. 22690 and and PSD-TX-751M1 SC. #1 PA
 Description: Failed to prevent unauthorized emissions during an avoidable emissions event that occurred on February 28, 2005.

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

N/A

- C. Chronic excessive emissions events.

N/A

CH2

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

1	03/13/2002	(139636)
N/A		
2	03/18/2002	(139637)
3	03/18/2002	(139638)
4	04/02/2002	(139639)
5	04/03/2002	(139640)
6	04/05/2002	(139641)
7	05/15/2002	(139642)
8	05/17/2002	(139643)
9	08/14/2002	(7963)
10	08/31/2002	(9986)
11	10/07/2002	(11428)
12	03/07/2003	(21689)
13	03/27/2003	(23382)
14	04/03/2003	(25138)
15	05/27/2003	(282800)
16	07/26/2003	(61715)
17	07/26/2003	(61716)
18	07/31/2003	(12829)
19	08/27/2003	(152358)
20	10/08/2003	(248893)
21	10/08/2003	(248868)
22	10/22/2003	(250248)
23	11/13/2003	(254712)
24	01/12/2004	(259447)
25	05/05/2004	(265440)
26	06/30/2004	(275987)
27	06/30/2004	(276008)
28	07/12/2004	(258432)
29	08/23/2004	(259527)
30	08/31/2004	(275640)
31	08/31/2004	(275727)
32	08/31/2004	(275582)
33	10/29/2004	(293172)
34	11/14/2004	(273790)
35	12/13/2004	(335760)
36	12/13/2004	(339619)
37	12/13/2004	(335727)
38	12/14/2004	(339248)
39	01/07/2005	(289178)
40	01/07/2005	(339259)
41	01/07/2005	(289620)
42	01/07/2005	(289641)
43	02/21/2005	(345241)
44	02/21/2005	(345242)
45	02/21/2005	(345244)
46	03/31/2005	(374023)
47	04/27/2005	(378280)
48	05/19/2005	(378004)
49	05/25/2005	(379870)
50	07/26/2005	(401365)
51	08/02/2005	(402542)
52	08/22/2005	(405938)
53	08/26/2005	(397897)
54	08/30/2005	(398784)
55	09/28/2005	(405189)
56	10/31/2005	(434581)
57	12/05/2005	(434398)
58	12/05/2005	(433634)
59	12/05/2005	(434458)
60	01/17/2006	(450657)
61	01/19/2006	(449735)
62	01/20/2006	(434431)
63	01/25/2006	(438519)
64	01/30/2006	(451420)
65	01/30/2006	(451165)
66	01/30/2006	(451081)
67	01/30/2006	(449589)

68 01/30/2006 (450728)

69 02/03/2006 (452920)
 70 02/08/2006 (451286)
 71 02/16/2006 (434647)
 72 02/16/2006 (452146)
 73 02/23/2006 (451616)
 74 02/23/2006 (455308)
 75 02/24/2006 (455128)
 76 02/24/2006 (449980)
 77 02/28/2006 (456109)
 78 03/14/2006 (435096)
 79 03/23/2006 (439922)
 80 03/23/2006 (456133)
 81 03/27/2006 (381420)
 82 04/06/2006 (456117)
 83 04/06/2006 (456167)
 84 04/17/2006 (437247)
 85 04/20/2006 (462475)
 86 05/12/2006 (457773)
 87 05/12/2006 (457763)
 88 05/12/2006 (457767)
 89 05/12/2006 (457729)
 90 05/12/2006 (457714)
 91 05/12/2006 (457770)
 92 05/12/2006 (457753)
 93 05/15/2006 (457756)
 94 05/17/2006 (458185)
 95 05/22/2006 (464707)
 96 05/23/2006 (466215)
 97 06/14/2006 (466748)
 98 07/06/2006 (457725)
 99 07/07/2006 (483754)
 100 07/20/2006 (486881)
 101 08/04/2006 (487670)
 102 08/24/2006 (480002)
 103 09/28/2006 (511672)
 104 10/19/2006 (511690)
 105 12/13/2006 (518692)
 106 12/13/2006 (519123)
 107 01/03/2007 (518929)
 108 01/09/2007 (533451)
 109 01/10/2007 (535946)
 110 01/11/2007 (534901)
 111 02/05/2007 (538166)
 112 02/06/2007 (512451)
 113 02/14/2007 (535930)
 114 02/14/2007 (536814)

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

Date 05/16/2002 (139642)
 Self Report? NO Classification Moderate
 Description: FL BE COMPLIANCE DATE
 Self Report? NO Classification Moderate
 Description: FL BE COMPLIANCE DATE
 Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
 Description: REFINERY FUGTV/CTRL RE
 Date 01/29/2003 (23382)
 Self Report? NO Classification Major
 Citation: 30 TAC Chapter 117, SubChapter B 117.213(c)(1)(B)
 30 TAC Chapter 117, SubChapter B 117.213(d)(1)(A)
 30 TAC Chapter 117, SubChapter B 117.213(l)
 Description: The regulated entity is in compliance with the reporting requirements of 30 Tex. Admin. Code 117.219(d). However, during the reporting period there were several periods of excess NOx emissions and several periods of NOx and CO CEMS downtime. Therefore, a notice of violation is being issued to Chevron Phillips.
 Date 07/31/2003 (12829)
 Self Report? NO Classification Minor
 Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)

N/S

S/S

N/S

N/S

Description: CPC failed to record the daily flare observation. For year 2003, Unit 33 flare had no records of observation on a number of days: 6 days (February); 1 day (March), and 3 days (April). The records were below 98% of the required observations.

Date 10/08/2003 (248893)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)

Rqmt Prov: PERMIT 22690 General Condition No. 8

Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of MAERT limits of TCEQ Air Permit No. 22690.

Date 10/08/2003 (248868)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)

Rqmt Prov: PERMIT 22690, General Condition No. 8

Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of the MAERT of TCEQ Air Permit No. 22690.

Date 10/22/2003 (250248)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)

Description: Failed to close an electrically opeated transfer valve during preventative maintenance on unit 33 furance # 3 (33-36-3).

Date 05/06/2004 (265440)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)

30 TAC Chapter 115, SubChapter D 115.352(4)

30 TAC Chapter 116, SubChapter G 116.715(a)

40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.242-6(a)(2)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)

Rqmt Prov: PA 22690and PSD-TX-751M1, SC14E

Description: Chevron Phillips Chemical Company, (CPCC) failed to cap or plug valve nos., 16, and 425 in unit 24.1, Debutanized Aromatic Concentrate,(DAC) Hydrotreater. All valves are in VOC service and without the required cap or plug.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)

30 TAC Chapter 116, SubChapter G 116.715(a)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(1)

Rqmt Prov: PA 22690, and PSD-TX-751M1, SC 14H

Description: During the record review, it was discovered that in 2000, CPCC failed to make attempt repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(2)

Description: During the record review, it was discovered that in 2000, CPCC failed to make first attempt repair on the leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 first attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report? NO Classification Moderate

Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.171(a)

Rqmt Prov: PA 22690, and PSD-TX-751M1, SC 114H

Description: It was discovered that in 2000, CPCC failed to make attempt at repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001, attempt repairs were not made on valve nos. 678, 02893, and 4560 within 15 days before these valves were placed on unit Shutdown list.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)

30 TAC Chapter 115, SubChapter B 115.142(1)(A)

30 TAC Chapter 116, SubChapter G 116.715(a)

40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.346(b)(1)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.136(e)(1)(i)

Rqmt Prov: PA 22690, and PSD-TX-751M1, SC 3C

Description: CPCC failed to equip process drain nos. 84, 89, 93,95, 100, 112, 624, 1527, with required water seal controls or a tightly sealed cap of plug (each drain found to be emitting volatile organic compound (VOC) in excess of 500 ppm)

Date 07/12/2004 (258432)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT TCEQ AIR PERMIT #22690, SC #1

Description: Exceeded VOC permit limits during an avoidable emissions event.

Date 08/23/2004 (259527)

S/S

S/S

N/S

S/S

S/S

S/S

S/S

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PA Flexible Permit No. 22690, SC 1
 Description: Exceeded permit limits during an avoidable emissions event.
 Date 11/14/2004 (273790)

S/S

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PERMIT TCEQ Flex Air Permit #22690, SC #1
 Description: Exceeded VOC permit limit during an avoidable emissions event.
 Date 09/28/2005 (405189)

Self Report? YES Classification Minor
 Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)(9)
 Description: Failure to identify in the final record of a scheduled maintenance, startup, or shutdown activity with unauthorized emissions, the preconstruction authorization number governing the facility involved in the scheduled maintenance, startup, or shutdown activity.

N/S

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PERMIT Special Condition 1
 Description: Failure to comply with any and all general and special conditions contained in a flexible permit.
 Date 01/25/2006 (438519)

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PERMIT TCEQ Flexible Permit #22690, SC #1
 Description: Chevron failed to prevent contact with the remote electrical control panel.
 Date 02/14/2006 (452146)

N/S

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PERMIT TCEQ Permit # 22690, Special Condition 1
 Description: Failure to prevent unauthorized emissions.
 Date 04/07/2006 (456117)

S/S

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Rqmt Prov: PERMIT TCEQ Flexible Permit #22690
 Description: Chevron failed to properly maintain the primary and secondary vacuum condensate pumps.
 Date 05/16/2006 (486731)

N/S

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 1 (EPN 22-36-1.)

N/S

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 2 (EPN 22-36-2.)

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 3 (EPN 22-36-3.)

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of the Furnace.

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 4 (EPN 22-36-4.)

Self Report? NO Classification Moderate
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within

60 days following startup of Furnace 7 (EPN 22-36-7.)
Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 8 (EPN 22-36-8.)

Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)
Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of the Turbine Bypass Stack (EPN 22-95-27.)

Date 12/13/2006 (519123)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmi Prov: PERMIT TCEQ Flexible Permit No. 22690, SC #1
Description: Chevron failed to prevent a leak in a decoke process line of Ethylene Unit's 24's cracking furnace #6.

Date 01/10/2007 (534901)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmi Prov: PERMIT TCEQ Flexible Permit No. 22690, SC #1
PERMIT TCEQ Flexible Permit No. 22690, SC #15
Description: Chevron failed to maintain a flame on Unit 18 Process flare which resulted in unauthorized emissions.

S/S

S/S

F. Environmental audits.

Notice of Intent Date: 10/09/2002 (33085)
Disclosure Date: 4/21/2003 12:00:00 AM

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to identify in the Total Annual Benzene ("TAB") report each point of waste generation, hydrocarbon phase benzene, and flow-weighted concentration data

Viol. Classification: Major

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to control the annual benzene emissions from Unit No. 24, oily water sump, for calendar year 2002

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to equip vacuum boxes and roll-off boxes with submerged fill pipes with openings within two pipe diameters of the container bottom

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to maintain records to demonstrate that annual no detectable emissions monitoring had been performed

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to install flow indicators on four junction boxes for Unit 10ABC

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to perform 4th quarter visual inspections for Unit No. 24 for calendar year 2002

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to make first attempts to repair flow meters, water seals on the process drains, and seals on the junction boxes after the June 20, 2001 visual inspection for Unit Nos. 10ABC and 24

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to control organic emissions and replace carbon canisters immediately when breakthrough is detected for each Carbon Absorption System ("CAS") for Unit No. 33

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to maintain design documentation for drain hub water seals, junction box and sump water seals, and flow indicators

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to maintain corrective action records for flow indicators

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to maintain CAS monitoring and carbon replacement time records

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A
Description: Failure to submit a complete annual corrective actions summary report for calendar year 2002

Notice of Intent Date: 12/14/2006 (536537)

No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CHEVRON PHILLIPS CHEMICAL
COMPANY LP
RN100825249

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

§
§
§
§
§

AGREED ORDER
DOCKET NO. 2007-0286-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 Chevron Phillips Chemical Company LP ("Chevron Phillips") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Litigation Division, and Chevron Phillips, represented by Gindi Eckel Vincent, of the law firm of Pillsbury, Winthrop, Shaw, Pittman, LLP, appear before the Commission and together stipulate that:

1. Chevron Phillips owns and operates a chemical manufacturing plant at 21689 Highway 35 in Old Ocean, Brazoria 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 Chevron Phillips agree that the Commission has jurisdiction to enter this Agreed Order, and that Chevron Phillips is subject to the Commission's jurisdiction.
4. Chevron Phillips received notice of the violations alleged in Section II ("Allegations") on or about August 28, 2006 and February 15, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Chevron Phillips of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of one hundred sixty eight thousand four hundred sixteen dollars (\$168,416) is assessed by the Commission in settlement of the

violations alleged in Section II ("Allegations"). Chevron Phillips has paid eighty four thousand two hundred eight dollars (\$84,208) of the administrative penalty. Eighty four thousand two hundred eight dollars (\$84,208) shall be conditionally offset by Chevron Phillips' completion of a Supplemental Environmental Project ("SEP").

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 Chevron Phillips 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 Chevron Phillips has implemented the following Corrective measures at the Plant:
 - a. As indicated in compliance documentation dated July 14, 2008, a comprehensive stream inclusion audit was initiated in 2006 to ensure that all components required to be under the leak detection and repair ("LDAR") program are correctly identified, monitored, maintained, repaired, and recorded as required;
 - b. As of April 28, 2006 select operations personnel now receive a weekly report listing events for which data is needed to comply with the 14-day limit for providing calculations and root cause for recordable emissions events;
 - c. On December 4, 2005, conducted operator and contractor training to ensure that the leak detection and repair monitoring is conducted so that it meets the response time required by the applicable rules;
 - d. Fuel gas regulators were installed on the natural gas lines feeding the pilot gas on Flare 4 on November 16, 2006 and on Flares 8 and 9 on December 13, 2006. On February 26, 2007, data from the steam flow controllers were brought into the operating units Distributed Control System ("DCS") in order to allow the Natural Gas Liquids Unit board operators to manage and control the steam flow rate and pressure;
 - e. As of December 15, 2005, configuration files for each continuous emissions monitoring system ("CEMS") were revised so that fault alarms will be activated following calibrations exceeding two times the drift limit. Additionally, on February 1, 2006, operations personnel began daily verifications that furnace CEMS automatic calibrations are completed;
 - f. On December 5, 2005, conducted operator training to curb carbon monoxide excursions in Units 22, 23 and 33, and implemented corrective action measures to ensure that such instances are minimized;

- g. On June 1, 2006, a new daily flare observation process was initiated, and on March 8, 2007, daily verification that the flares are observed was integrated into an electronically scheduled task completion system ("e-SOMS") database;
- h. On March 30, 2005, Permit-by-Rule ("PBR") authorization was obtained for the abrasive blasting activities at the Plant, and on March 8, 2006, the permit was revised to include increased usage beyond the PBR limit;
- i. On March 25, 2005, PBR authorization was obtained for the painting activities at the Plant, and on March 8, 2006, the permit was revised to include increased usage beyond the PBR limit;
- j. As indicated in compliance documentation dated July 14, 2008, all efforts are taken to ensure all seals are repaired within the required time frames;
- k. On July 7, 2007, quarterly visible emission observations were completed by operations personnel and the paper-based visible emission observation records were replaced with e-SOMS;
- l. As indicated in compliance documentation dated July 14, 2008, records are reviewed monthly to ensure VOC concentrations in the cooling tower are monitored as required;
- m. As indicated in compliance documentation dated July 14, 2008, steam flow to the flare is adjusted to optimize air/hydrocarbon mixing, thereby minimizing visible emissions. Camera images of the flares are also now available to operators in control rooms to ensure that no visible emissions are present and to enhance timely corrective action for visible emissions from flares;
- n. In November 2005, the steam supply for the wedgeplug valve serving cracking furnace 24F-9 was tied into the dilution steam system in order to ensure steam flow remains within permitted limits. Additionally, as of December 31, 2005, furnace operators on each shift were retrained on taking prompt corrective action during alarms and tags were hung on wedgeplug valves stating the minimum pressures;
- o. On April 28, 2005, PBR authorizations were obtained for operation of the two diesel engines at the Plant, and on March 8, 2006, the permit was revised to include increased usage beyond the PBR limit;
- p. On September 16, 2007, junction box inspections were completed by operations personnel, and the paper-based junction box inspection records were replaced with e-SOMS;

- q. On January 29, 2007 operators began unloading trucks with the assistance of e-SOMS, which contains a checklist of applicable environmental requirements for truck unloading operations;
 - r. As indicated in compliance documentation dated July 14, 2008, steam flow to the wedgeplug valve is monitored continuously for Cracking Furnaces 24F-1 and 24F-9 by the unit's DCS and is logged and historized in the site's data historian. Additionally, as of August 1, 2007, the recording of steam flow information to each wedgeplug valve is scheduled using e-SOMS and completed by operators as part of their rounds;
 - s. For Incident No. 82875, the level control system from the cracked gas separator drum (22D-9) to the caustic degassing drum (22D-8) was cleaned and recalibrated on November 11, 2006. In addition, the pressure alarm set points were established on the caustic degassing drum to alert operators, an initial high level alarm set point was set on November 11, 2006, a second final high level alarm set point was set on January 29, 2007, and the existing field-type level controller on 22D-9 was replaced on March 14, 2007 with a more reliable remote seal-type controller that offers improved level control; and
 - t. For Incident No. 82608, the discharge check valve on the bottoms pump was replaced on October 14, 2006. In addition, the pump swapping (the routine change in operation between the primary and secondary pumps) procedures and schedules were evaluated and improved upon on December 31, 2006 to ensure that pump swaps occur on a more frequent schedule and the procedures address all risks associated with the swaps.
- 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 Chevron Phillips 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, Chevron Phillips is alleged to have:

1. Failed to create a final record for a non-reportable emissions event, within two weeks after the end of the emissions event, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 101.201(b) and 122.143(4), Air Permit No. O-02151, Special Condition No. 2F, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, the emissions event ended on September 10, 2005, but the final record was not created until September 28, 2005.
2. Failed to conduct leak detection and repair monitoring in accordance with 40 CODE OF FEDERAL REGULATIONS ("CFR") Part 60, Appendix A, Method 21, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 115.355(1) and 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, 40 CFR § 60.485(b) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, the respondent was monitoring less than two times the response time on site wide components from July 2, 2005 to November 29, 2005.
3. Failed to adequately identify leaking components site wide from October 4, 2005 to October 20, 2005, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 115.782(a), 115.352(3), 116.715(a) and 122.143(4), Air Permit No. O-02151, Special Condition Nos. 1A and 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition 14H, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, eleven leaking components were without leak tags; one component did not contain all the required information on the leak tag; and four leaking components that had been placed on delay of repair ("DOR") were without DOR tags.
4. Failed to maintain a constant pilot flame at all times, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 116.715(a), 122.143(4), Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 19, 40 CFR § 60.18 (c)(2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, the pilot flame for Flare No. 56-61-4, Flare No. 56-61-9, and Flare No. 56-61-10 was unlit on eight intermittent days. In each instance the pilot was relit the same day.
5. Failed to conduct calibrations for CEMS, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 116.715(a), 122.143(4), Air Permit No. 22690 and PSD-TX-751M1, Special Condition Nos. 11 and 12B, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.
6. Failed to prevent the 24-hour rolling average concentration of carbon monoxide emissions from exceeding 400 parts per million by volume at 3.0% oxygen, dry basis, on 23 furnaces in Units 22, 23 and 33, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 117.206(e)(1)(A), and TEX. HEALTH &

- SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, the respondent reported fifty-five instances between January 5, 2005 and December 5, 2005, where the 24-hour rolling average concentration of carbon monoxide was exceeded.
7. Failed to record daily flare observations on July 21 and 22, 2005, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 111.111(a)(4)(A)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.
 8. Failed to prevent abrasive blasting usage from exceeding one ton per day, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 106.452(2)(A), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, abrasive blasting usage was 1.25 tons on June 3, 2005, 1.1 tons on August 7, 2005, 1.5 tons on August 10, 2005, and 3.25 tons on August 17, 2005.
 9. Failed to prevent Volatile Organic Compound ("VOC") emissions due to painting activities from exceeding six pounds per hour averaged over a five-hour period on July 28 and August 16, 2005, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 106.433(7)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.
 10. Failed to repair Highly Reactive VOC ("HRVOC") components leaking greater than 10,000 parts per million within a timely manner, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 115.782(b)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, the first attempt to repair five leaking components in Unit 12 and Unit 24 were not made within one business day during the month of June, July and August 2005. In addition, in Unit 24, the first attempt to repair a leaking component discovered on June 13, 2005, was made on the second business day.
 11. Failed to record the times and dates on paper logs for LDAR monitoring events as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 115.781(g)(1) and (2), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, there were nine instances between August 1, 2005 and December 1, 2005, where the paper logs did not have the time and date properly recorded.
 12. Failed to monitor fourteen leaking valves in Unit 24 from September 1, 2005 to October 20, 2005, after the initial detection of the leak as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, 40 CFR §§ 60.482-7(c)(2) and 61.242-7(c)(2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.

13. Failed to properly monitor when conducting repairs and maintenance on thirteen components site wide, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4), 116.715(a), Air Permit No. O-02151, Special Condition No. 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 14F, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, the components were repaired on June 28, 2005, but were not monitored until June 29, 2005.
14. Failed to monitor 488 site wide components on a quarterly basis from November 29, 2004 to December 5, 2005, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 115.354(2), 115.356(2), 115.781(a), 115.782(a), 116.715(a), and 122.143(4), Air Permit No. O-02151, Special Condition Nos. 1A and 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 14F, 40 CFR § 60.482-7(a) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.
15. Failed to maintain and repair seals, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 101.20(2), 40 CFR § 61.346(a)(3)- and (b)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, a broken junction box seal in Unit 24 was identified as leaking on November 22, 2005, but was not repaired within 15 days. The seal was repaired on December 9, 2005, and in Unit 10ABC a broken seal was discovered on July 24, 2005 and repaired on September 9, 2005. In addition, on November 21, 2005, it was discovered that a tight seal on a process drain plug in Unit 24 was not being maintained. The seal was replaced on December 2, 2005.
16. Failed to demonstrate that quarterly visible emissions observations of stationary vents, buildings, and other structures were conducted site wide during May 29, 2005 and June 29, 2005, as documented in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 122.143(4), Air Permit No. O-02151, Special Condition No. 3(C)(iii) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.
17. Failed to conduct extraordinary repair effort within fourteen days on a valve placed on DOR, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 115.782(C)(2)(A)(i) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, the valve was found leaking in Unit 22, on June 25, 2005. It was placed on the Delay of Repair "DOR" list on July 1, 2005, but was not repaired until October 20, 2005.
18. Failed to monitor valves which were over the 3% allowable on a quarterly basis in Unit 33, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, 40 CFR §§ 60.482-7(c) and (h)(2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented

- during an investigation conducted on June 5, 2006. Specifically, the valves were not monitored from November 29, 2004 to November 29, 2005.
19. Failed to monitor cooling tower VOC concentrations, as reported in the June 24 and December 15, 2005 deviation reports, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 116.715(a), Air Permit No. O-02151, Special Condition No. 16A, Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 23 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.
 20. Failed to prevent visible emissions from the flare (EPN 56-61-10) from exceeding five minutes in a two hour period on June 4, 2005, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 111.111(a)(4) and 122.143(4), Air Permit No. O-02151, Special Condition No. 1A, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.
 21. Failed to ensure that the steam flow is within permitted limits and that prompt corrective action was taken when the alarm was activated in Unit 24 on November 20, 2005 as reported in the December 15, 2005 deviation report. Chevron Phillips also failed to continuously supply steam to a wedge plug valve at or greater than 80 pounds per square inch gauge ("psig") for one furnace EPN 24-36-9 in Unit 24 during the time period November 29, 2004 until May 19, 2005, in violation of 30 TEX. ADMIN. CODE § 111.143(4), Air Permit No. O-02151, Special Condition No. 26, Alternate Means of Control ("AMOC") Permit Authorization Number 2003-01, Special Condition Nos. 5 and 13, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.
 22. Failed to seal open-ended lines in VOC service, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 115.352(4), 115.783(5), 122.143(4) and 116.715(a), Air Permit No. 22690 and PSD-TX-751M1, Special Condition Nos. 3B and 14E, 40 CFR §§ 60.482-6(a)(1), 63.167(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, Chevron Phillips discovered and reported three hundred two open ended lines that were in VOC service during the time period of November 29, 2004, to November 29, 2005 site wide. In addition, twenty four open ended lines in Hazardous Air Pollutants service were also discovered and reported for the same time period.
 23. Failed to obtain preconstruction authorization and keep records for two portable diesel engines, as reported in the June 24, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 116.110(a)(4), 122.143(4) and 117.219(f)(10), Air Permit No. O-02151, Special Condition 17, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, Chevron Phillips did not have preconstruction authorization for two portable diesel engines from November 29, 2004 to April 28, 2005. In addition, there were no records kept for the operation of the engines between November 29, 2004 and December 31, 2004.

24. Failed to obtain authorization for abrasive blasting and painting activities being conducted at the site, as reported in the June 24, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE §§ 116.110(a)(4) and 122.143(4), Air Permit No. O-02151, Special Condition No. 17, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, Chevron Phillips did not obtain authorization for abrasive blasting and painting being conducted at the site from November 29, 2004 to March 30, 2005.
25. Failed to record the quarterly junction box inspections, as reported in the June 24, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 101.20(2), 40 CFR § 61.356(g) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006. Specifically, the quarterly junction box inspection was not recorded for Unit 12 during the last quarter ending on December 31, 2004.
26. Failed to record the tank truck identification and leak test date during an unloading operation of a truck on November 20, 2004, as reported in the June 24, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 115.216(3)(A)(i) and (iii), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.
27. Failed to record the steam flow in Unit 24 from June 3, 2005 to June 16, 2005, and also failed to record the steam pressure and steam flow rate for seven furnaces (EPNs 24-36-1, 24-36-2, 24-36-3, 24-36-4, 24-36-5, 24-36-6, 24-36-9) in Unit 24 from December 7, 2004 to January 31, 2005, as reported in the December 15, 2005 deviation report, in violation of 30 TEX. ADMIN. CODE § 111.143(4), Air Permit No. O-02151, Special Condition No. 26, AMOC Permit Authorization Number 2003-01, Special Condition Nos. 7 and 9, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 5, 2006.
28. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on January 5, 2007. Specifically, 4,758 pounds ("lbs") of ethylene, 97 lbs of 1,3-butadiene, 53 lbs of benzene, and 105 lbs of propylene were released when Chevron Phillips failed to prevent plugging in drum D-9, resulting in an emissions event that occurred on October 20, 2006, and lasted for one hour twenty minutes (Incident No. 82875). Since this emissions event was avoidable, Chevron Phillips failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
29. Failed to prevent unauthorized emissions in violation of 30 TEX. ADMIN. CODE § 116.715(a), Air Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on December 28, 2006. Specifically, 1,882 lbs of ethylene, 21 lbs of 1, 3-butadiene, 20 lbs of benzene, and 418 lbs of nitric oxide were released when Chevron Phillips failed to properly maintain Ethylene Unit 22, resulting in an emissions event that

occurred on October 12, 2006, and lasted for forty-eight hours (Incident No. 82608). Since this emissions event was avoidable, Chevron Phillips failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Chevron Phillips pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Chevron Phillips' 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: Chevron Phillips Chemical Company LP, Docket No. 2007-0286-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. Chevron Phillips shall implement and complete a SEP in accordance with TEX. WATER CODE §7.067. As set forth in Section II, Paragraph 6 above, eighty four thousand two hundred eight dollars (\$84,208.00) of the assessed administrative penalty shall be conditionally offset with the condition that Chevron Phillips implement the SEP defined in Attachment A, incorporated herein by reference. Chevron Phillips' obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon Chevron Phillips. Chevron Phillips is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the operations referenced in this Agreed Order.
4. If Chevron Phillips fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Chevron Phillips' failure to comply is not a violation of this Agreed Order. Chevron Phillips shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Chevron Phillips shall notify the Executive Director within seven days after Chevron Phillips becomes

- aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Chevron Phillips shall be made in writing to the Executive Director. Extensions are not effective until Chevron Phillips receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
 6. This Agreed Order, issued by the Commission, shall not be admissible against Chevron Phillips in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
 7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
 8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Chevron Phillips, or three days after the date on which the Commission mails notice of the Order to Chevron Phillips, 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

Gregory Penline

For the Executive Director

10/16/08

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 Chevron Phillips' failure to comply with the Ordering Provisions in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on Chevron Phillips' compliance history;
- Greater scrutiny of any permit applications submitted by Chevron Phillips;
- 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 Chevron Phillips;
- Automatic referral to the Attorney General's Office of any future enforcement actions against Chevron Phillips; and
- TCEQ seeking other relief as authorized by law.

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

CW McDowell

Signature

9/4/08

Date

CW McDowell

Name (Printed or typed)

Plant Manager

Title

Authorized Representative of
Chevron Phillips Chemical Company LP

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

Attachment A

Docket Number: 2007-0286-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: CHEVRON PHILLIPS CHEMICAL COMPANY LP

Penalty Amount: One hundred sixty-eight thousand four hundred sixteen dollars (\$168,416)

SEP Amount: Eighty-four thousand two hundred eight dollars (\$84,208)

Type of SEP: Pre-approved

Third-Party Recipient: Houston-Galveston Area Emission Reduction Credit Organization ("AERCO") *Clean Cities/Clean Vehicles Program*

Location of SEP: Brazoria County

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

1. Project Description

A. Project

The Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used in accordance with the Supplemental Environmental Project Agreement between AERCO and the Texas Commission on Environmental Quality for the *Clean Cities/Clean Vehicles Program* in Brazoria County. SEP monies will be used to aid local school districts and area transit agencies, and may be used to reach local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP funds will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. SEP funds will be used for the costs of retrofitting or replacing older diesel buses with alternative fueled or clean fuel diesel buses. The older "high emission" buses will be permanently retired and sold only for scrap.

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

B. Environmental Benefit

Passengers, drivers, and students in the area where school buses idle during transportation are subject to harmful diesel exhaust emission every school day. Apart from containing particulate matter (PM), and ozone precursors nitrogen oxides ("NOx") and hydrocarbons ("HC"), diesel exhaust is known to cause or exacerbate a number of respiratory diseases, including asthma. Due to the more stringent emissions standards introduced by the Environmental Protection Agency (EPA), model 2007 and newer buses are also cleaner in terms of PM emissions than model year 2004 buses. New NOx and HC standards phased in between 2007 and 2010 will

result in new school bus engines being 72% cleaner for HC and 90% cleaner for NOx than a bus produced to meet the 2004 federal standards for these pollutants.

This SEP will provide a discernible environmental benefit by retiring high-emission buses from service, purchasing newer, clean fuel technology buses, and replacing newer buses with fuel treatment technology that reduces PM and HC.

C. Minimum Expenditure

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

2. Performance Schedule

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

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, TX 77227-2777

3. Records and Reporting

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

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

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

In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall send it to:

Texas Commission on Environmental Quality

Office of Legal Services
Attention: SEP Coordinator, MC 175
P.O. Box 13088
Austin, Texas 78711-3088

5. Publicity

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

6. Clean Texas Program

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

7. Other SEPs by TCEQ or Other Agencies

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

